

# Herald Tribune

Published with The New York Times and The Washington Post

No. 29,688

PARIS, MONDAY, JULY 24, 1978

Established 1887



Jack Drummond set out to rob banks to get realistic detail for a novel but he found death was no fiction.

## The Case of the Overeager Author

COLUMBUS, Ohio, July 23 (AP) — Jack Drummond was a struggling mystery writer who was convinced he could obtain realism only by experiencing crime firsthand — so he decided to become a bank robber.

But the Astoria, N.Y., man never got a chance to put his plan into action. He was shot and killed by police who said he pulled a gun while they tried to question him June 15.

Police finally were able to identify Mr. Drummond, 55, from photographs provided by relatives who were located last week through a Long Island, N.Y., library card found in Mr. Drummond's possession.

His unfinished manuscript outlined the bizarre plan that he

I'm a bank robber. Beginning tomorrow . . .

That's chancy but what isn't? I'll work alone

ONE MAN, ONE TOWN, THREE

BANKS, ONE DAY! . . . it shouldn't take

that much additional time.'

fear might lead to his death. Mr. Drummond had mailed a letter and the manuscript, entitled "Bank Robber," to his daughter in New York, who subsequently sent the material to police here.

His manuscript began: "I'm a

bank robber. Beginning tomorrow."

But the day he attempted to put it into action he was stopped for questioning after a Columbus man told police he saw a man donning a wig in a parking lot.

(Continued on Page 6, Col. 7)

## Arms Fund Fraud Damages Smith's Popularity

## Scandal Saps White Morale in Rhodesia

By John F. Burns

JOHANNESBURG, July 23 (NYT) — Word that high-ranking Rhodesian officials are involved in a multimillion-dollar scheme to divert large amounts from a secret arms-buying fund into private Swiss bank accounts has shaken morale in that country's white minority as few events since the rebellion against Britain 13 years ago.

The government of Prime Minister Ian Smith went to extraordinary lengths to hush up the scandal, placing tight censorship on all domestic reports and on dispatches filed by foreign journalists in Salisbury.

### French N-Test Said in Pacific

PAPEETE, Tahiti, July 23 (AP) — France has conducted its most powerful underground nuclear test ever, the newspaper La Depêche de Tahiti reported today.

The paper carried only a single sentence on the story in a last-minute news flash, and said that the test was conducted Wednesday.

In Paris, a spokesman for the Defense Ministry would not confirm or deny the report. French authorities refused comment on atomic testing in the South Pacific, atoll of Mururoa since 1975, when international pressure forced them to shift from atmospheric testing.

## Banzer Resigns Under Air Force Threat

## Pereda Takes Power in Bolivian Coup

LA PAZ, Bolivia, July 23 (UPI) — President Hugo Banzer resigned and handed over the Bolivian government to Gen. Juan Pereda when the air force threatened to bomb the presidential palace, La Paz radio reported yesterday.

The coup, which military sources said could have led to civil war, ended Friday night with Gen. Banzer's abrupt resignation and the swearing in of Gen. Pereda, his sometime protege, as the new president.

In a brief inaugural speech, Gen. Pereda vowed "Communism will not win" in Bolivia and later warned he would not permit "extremist opposition."

In Washington, a State Department spokesman said: "We regret that the events in Bolivia seem to have interrupted the electoral process which had been set in motion. We hope that this interruption is temporary and that the new government will renew the process."

Yesterday, Gen. Pereda's press

bure. But important details have appeared in the South African press and have spread by word of mouth throughout Rhodesia, according to travelers arriving here.

Three of the six men known to have been involved in the swindle

White House to fight Senate bid to end Rhodesian trade embargo. Page 3.

were convicted Thursday in a closed session of the High Court in Salisbury and sentenced to fines totaling \$314,000. The three identified as only businessmen, were spared jail sentences after agreeing to return \$116,000 that they had deposited in a bank "in a foreign country" — Switzerland.

But rumors in Salisbury put the total amount involved as high as \$15 million. Mr. Smith, pressed on the issue at a news conference last week, said only that the amount could be "at least" \$1 million Rhodesian dollars, equivalent to \$1.4 million.

For Mr. Smith, who has seen two of his top advisers arrested in the scandal, the affair comes at a very bad time. After 14 years of popularity among whites, his support was already sagging because of failure by his four-month-old, biracial transitional government to de-escalate the guerrilla war.

Mr. Smith has been hinting recently that if the black leaders in

the transitional administration cannot bring the guerrillas into a ceasefire, he will renounce his commitment to cede power to a fully black government on Dec. 31.

With the casualty rate in the war running roughly three times as high as last year and the economy faltering under the strains of the conflict and trade sanctions, Mr. Smith has become a beleaguered man among

the very people who once held that he could do little wrong. For many of those people, the revelation that men in high places stole money earmarked for the war has been the last straw.

A measure of the declining trust in the 58-year-old prime minister came in a parliamentary by-election Friday in the Salisbury constituency of St. Simon

(Continued on Page 2, Col. 5)

No Apparent Political Pattern

## Erratic Terrorist Attacks Grow in Italy

By Henry Tanner

REGIONAL government of Rome was heavily damaged in a blast that awakened sleepers throughout the historic center of the city.

Two days earlier a major fire destroyed the main building of the architecture department of the University of Rome.

### Burnings, Bombings

Typical incidents include a professor's car burned outside his home in Rome, a restaurant and a bakery damaged by Molotov cocktails in Milan, shots fired at police barracks, and an explosive detonated in a tax collector's office.

None of the attacks of this kind has been claimed by either the Red Brigades or Prima Linea, the country's two most active terrorist

(Continued on Page 2, Col. 4)

groups, which are continuing their operations fitfully in more spectacular, publicized ways.

Two days ago, the secretary-general of the merchants association of Turin, Salvatore Russo, was shot in the legs by three terrorists who forced their way into his office. The attackers fled, leaving their signature "Prima Linea" painted on the office wall.

Four days earlier, seven members of the same organization overpowered the guards at the regional computer center, also in Turin, and blew up part of the installations. Both attacks were claimed by Prima Linea, a group that has carried out an increasing number of operations.

(Continued on Page 2, Col. 4)

The Rhodesia sanctions issue suddenly came before the OAU's 15th annual summit when the African group at the United Nations sent word here that some members of the U.S. Congress were trying to have it lift the sanctions, in recognition of the establishment of a bilateral transitional government in Salisbury in March.

Bishop Abel Muzorewa, one of the black members of the mixed government, has been campaigning in the United States for the last two weeks for U.S. support and a lifting of the sanctions, which were imposed soon after the white minority unilaterally declared Rhodesia independent from Britain in November 1965.

Despite intensive diplomatic ef-

forts by the Africans in the transitional government to gain recognition here, the OAU condemned it as "yet another maneuver of the illegal racist minority regime to maintain its domination and oppression of the African people" in Rhodesia.

A delegation representing the Ndebele National Council, another of the transitional government's black leaders, was refused permission to address even the meeting of African foreign ministers before the summit meeting.

The special resolution passed here Friday reaffirmed the OAU's "unequivocal commitment" to the nationalist guerrilla war being waged by the Patriotic Front against both the white minority regime and the transitional government.

(Continued on Page 2, Col. 2)

## Trial May Be Approaching

## Corruption Charges Filed Against Indira Gandhi

NEW DELHI, July 23 (AP) —

The government has filed preliminary documents in court accusing former Prime Minister Indira Gandhi and five others of criminal conspiracy to procure 139 jeeps in a national election campaign last year.

The filing yesterday is but another in a series of moves to tighten a legal web around Mrs. Gandhi. Earlier this month, the government of Prime Minister Moraji Desai filed six information reports in a metropolitan court on its investigation of alleged abuses by her fallen regime.

One of those reports accuses her of entering into a conspiracy to

clare India's 1975-77 national emergency without justification and in violation of laws and the constitution. The government plans to ask the Supreme Court to advise whether a special court can be set up for trial of this and other cases against Mrs. Gandhi.

She is already being prosecuted for refusal to testify to an official inquiry commission investigating alleged abuses by her regime. Conviction could bar her from politics.

Mrs. Gandhi, 60, was in southern India this weekend for a series of speeches in a campaign for a political comeback. She has charged that all the cases are politically inspired.

### Already Arrested

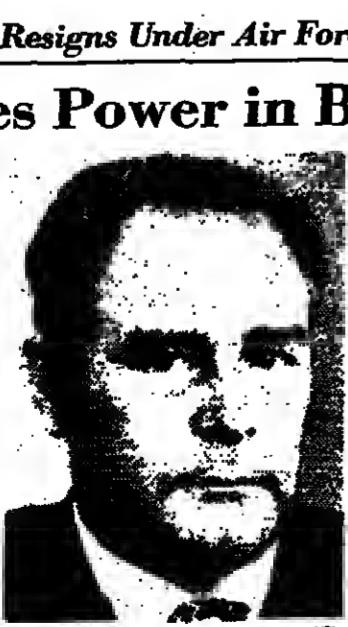
The jeep case, first brought in the form of a preliminary information report on Oct. 3, put Mrs. Gandhi in jail briefly then. She was arrested by the Central Bureau of Investigation, India's equivalent of the U.S. FBI, but a magistrate ordered her released the next morning because no evidence was ready.

The "charge sheets" — which amount to requests to bring the accused to trial — were filed in a Delhi sessions court against Mrs. Gandhi, a former chemicals and fertilizer minister, P.C. Sethi, Mrs. Gandhi's former private secretary, R.K. Dhawan, a stenographer and two businessmen, Jit Paul and Suresh Vasudeva.

Mrs. Gandhi's 11 years in power ended with the elections of March last year.

She was arrested and jailed briefly by the new government, gaining public sympathy from the arrest.

The charge sheets accused the six of a conspiracy and criminal misconduct in getting a Bombay firm to supply 139 jeeps without charge for the election campaign. The charges under India's Prevention of Corruption Act carry a maximum prison sentence of seven years.



Gen. Juan Pereda

will include both civilians and military.

According to radio reports, Gen. Banzer capitulated after the air force, which had backed Gen. Pereda, threatened to bomb the presidential palace, La Paz radio reported yesterday.

The coup, which military sources said could have led to civil war, ended Friday night with Gen. Banzer's abrupt resignation and the swearing in of Gen. Pereda, his sometime protege, as the new president.

In a brief inaugural speech, Gen. Pereda vowed "Communism will not win" in Bolivia and later warned he would not permit "extremist opposition."

Yesterday, Gen. Pereda's press



NEARING THE FINISH — The Tour de France sweeps along the Champs-Elysées in Paris, the last lap of the endurance bicycle race. Bernard Hinault of France was the overall winner, by nearly 4 minutes, in his debut. Article, Page 13.

Austria	12 S.	Kenya	St. 7
Belgium	20 B.F.	Liberia	St. 25
Denmark	330 O.K.	Luxembourg	2.75 Cr.
Egypt	22 P.	Netherlands	1.50 for
Finland	2.50 F.M.	Nigeria	70 K.
France	3.00 F.	Norway	3 Nkr.
Germany	1.50 D.M.	Portugal	25 Esc.
Great Britain	20 P.	Spain	2.75 Cr.
Greece	18 Drs.	Switzerland	1.20 Fr.
India	60 Rupees	Turkey	ET. 15
Israel	169.00	U.S. Military (Ex.)	50 D.
Italy	400 Lire	Yugoslavia	20 D.

From Wire Dispatches

CAIRO, July 23 — Egyptian Foreign Minister Mohammed Ibrahim Kamel said today that the Israeli Cabinet decision not to return two areas in the Israeli-occupied Sinai as a peace gesture illustrates once more that the Israelis are not showing any readiness to budge from their position in order to achieve peace in the Middle East.

Mr. Kamel made the comment shortly after Israeli Prime Minister Menachem Begin revealed the Cabinet decision following a lengthy Cabinet session.

Mr. Kamel said the Israeli Cabinet had sidestepped the main issue — an Egyptian proposal that Israel withdraw from the west bank of the Jordan River and from the Gaza Strip as a first step to a comprehensive settlement of the 30-year-old Arab-Israeli conflict.

### Begin Called Obstacle

Mr. Sadat said yesterday that the only obstacle to a quick peace agreement in the Middle East is "expansionist ambition" of Prime Minister Begin.

He made public what has been an undeclared aim of Egyptian negotiating policy for some time — to undermine Mr. Begin, whom Mr. Sadat regards as an inflexible fanatic, in the hope of seeing him replaced by another Israeli leader more responsive to Egypt's proposals.

The president did not specifically rule out a resumption of direct peace negotiations, but he left very little room for optimism about progress toward an agreement so long as Mr. Begin heads the Israeli government.

### Within Hours

"If Israel really wants peace, peace can be established within hours," he said in a nationally televised speech. "The only obstacle is that the prime minister believes he can have peace, and security guarantees, and recognition, and the land. We say yes. Security guarantees for both sides, yes. Good neighborly relations, yes. Recognition, yes. But the land and sovereignty, no. We do not bargain over the land."

Mr. Sadat also ordered the dissolution of the Arab Socialist Union, which until last year was the only legal political organization in the country, attacked the other existing political parties for alleged abuses of the political liberalization he has

(Continued on Page 2, Col. 7)

She is already being prosecuted for refusal to testify to an official inquiry commission investigating alleged abuses by her regime. Conviction could bar her from politics.

Mrs. Gandhi, 60, was in southern India this weekend for a series of speeches in a campaign for a political comeback. She has charged that all the cases are politically inspired.

Already Arrested

The jeep case, first brought in the form of a preliminary information report on Oct. 3, put Mrs. Gandhi in jail briefly then. She was arrested by the Central Bureau of Investigation, India's equivalent of the U.S. FBI, but a magistrate ordered her released the next morning because no evidence was ready.

The "charge sheets" — which amount to requests to bring the accused to trial — were filed in a Delhi sessions court against Mrs. Gandhi, a former chemicals and fertilizer minister, P.C. Sethi, Mrs. Gandhi's former private secretary, R.K. Dhawan, a stenographer and two businessmen, Jit Paul and Suresh Vasudeva.

Mrs. Gandhi's 11 years in power ended with the elections of March last year.

She was arrested and jailed briefly by the new government, gaining public sympathy from the arrest.

The charge sheets accused the six of a conspiracy and criminal misconduct in getting a Bombay firm to supply 139 jeeps without charge for the election campaign. The charges under India's Prevention of Corruption Act carry a maximum prison sentence of seven years.

***W. German Tests 'Poor Man's Rocket'***

By Joseph Fitchett

BONN, July 23 (IHT) — The biggest rocket range outside the Soviet Union is a vast, barely accessible site in Zaire's Shaba province, where a private West German company is testing its design for a cheap rocket capable of launching satellites.

Zaire's President Mobutu Sese Seko has carved out the 100,000-square-kilometer site for a Stuttgart-based firm, Orbital Transport and Raketen AG. OTRAG's scientist-owner Lutz Kayser is attempting to develop a rocket that the claims would cost half as much as a U.S.-made launch vehicle, such as the space shuttle, thus allowing Third World countries to afford military reconnaissance, communications and resource-sensing. In its Shaba testing ground, nearly half as big as West Germany, OTRAG enjoys virtual extraterritorial sovereignty, including an air service that is the only in.

Partly because of secrecy, the OTRAG project has conjured sinister images of a conspiracy in cen-

tral Africa to develop secret weapons.

Soviet and East German critics alleg that OTRAG is a cover for West German attempts, with CIA help, to violate postwar arms controls in West Germany by developing a German missile similar to the U.S. Cruise missile. Africans have accused OTRAG of working with South Africa to develop military rockets. The allegations sting. Africans have not forgotten the 1975 incident when a ranking West German general traveled secretly to South Africa to discuss possible nuclear cooperation.

West German Chancellor Helmut Schmidt acknowledged that the company's operations are an "embarrassment," but officials here maintain that the company has broken no laws.

**Tax Loophole?**

There is another intriguing explanation about what OTRAG is really up to. Officials here point out that the research program for a "poor man's rocket" is a lucrative tax haven for West German investors. The initial \$50 million came mainly from doctors, lawyers and dentists, and as long as OTRAG operates at a loss, these high-bracket taxpayers are able to claim significant deductions. OTRAG's tax attractions appear to guarantee that Mr. Kayser can raise the \$200 million he estimates will be need to get his rockets into commercial production by 1981. Officially, Zaire gets its \$37.5 million annual rent only when OTRAG makes a profit. But President Mobutu's authorization, OTRAG planes handle special flights to and within Shaba province.

Whatever OTRAG's dealings are, West German officials here complain about a Soviet campaign to smear West Germany. "We are convinced OTRAG is developing a rocket for peaceful purposes, not military use, in conformity with European agreements governing our arms production," a senior official in the Foreign Office said. All of OTRAG's manufacturing is done in Stuttgart under normal controls; only testing is done in

**Little Use as Weapons**

What is not in doubt is that the OTRAG rockets have little foreseeable application as weapons. An official West German assessment, made available here to embassies, concluded that they were "scarcely likely to figure in any country's military plans" because the rockets require 10 to 10 hours to be fueled and can stay fueled only four hours before they must be fired. They cannot be used as strategic missiles because they lack warheads, a control system for final approach and a reentry body; for tactical use, they lack a warhead and fire-control system and their design was too bulky and immobile. Moreover, the design is "unsuitable for flying a ballistic artillery trajectory."

In addition, OTRAG probably would hesitate to sell the "poor man's rocket" because the simple technology could be copied by a customer using commercial materials. Instead, OTRAG wants to rent its system for satellite launches so, logically, its military applications would be restricted to reconnaissance satellites — but then only if a client government was ready to risk an expensively bought satellite on an untried OTRAG launch vehicle.

**Visitor's Impression**

This impression of OTRAG was confirmed by a recent visitor to the Shaba site who found a single concrete launch ramp, a derrick for raising and refueling the rocket and a primitive control bunker. Allowed to move freely without an OTRAG escort, the visitor, a trained observer, found no roads leading to other installations. OTRAG's need for such a vast domain apparently is explained not by secret bases (which would be detected by satellites), but by the need to salvage test rockets that veer wildly and fall miles off course. The most impressive facility was a long airport runway being extended to 4,000 meters and capable of banding large planes on trans-Africa flights. It is being used by OTRAG's planes which were active in the relief operations after the March invasion of Shaba.

Although OTRAG has the Shaba concession until 2000, reports here say that Mr. Kayser, perhaps unnerved by Zaire's instability, is prospecting for new sites in Brazil or Indonesia. His move from sensitive Shaba would be welcome in Bonn, but officials here are cautious about leaning too hard on OTRAG because Mr. Kayser has promised to create 2,000 new jobs in Stuttgart.

**No Treaty Violation**

The Western European Union Council, asked last month about whether Bonn was circumventing the 1954 Brussels Treaty that forbids West Germany to build rockets as weapons, said it was satisfied that the OTRAG rockets did not violate arms-production limitations. The council said that military experts will inspect OTRAG pro-

ducts. West German experts say that OTRAG's technology is simple. Mr. Kayser plans to bind together a cluster of cheap rockets, like a

**We'd like to take you home with us.**

Did you know you could exchange most return tickets for a Pan Am flight home? And as Pan Am has the largest fleet of 747s in the world the chances are you'll be able to fly home in the comfort of a Pan Am 747.

**PAN AM**

Just phone your nearest Pan Am office.

We fly to the USA from:

AMSTERDAM	234760
BERLIN	88 10 11
BRUSSELS	511 64 05
FRANKFURT	23 05 91
HAMBURG	500 92 81
LONDON	734 7292
MADRID	241 42 00
MUNICH	55 81 71
PARIS	266 4545
ROME	47 73
VIENNA	52 66 46
WARSAW	26 0257

Pan Am also has offices in:

ATHENS	3235 242
BARCELONA	3017249
GENEVA	323834
GLASGOW	248 5744
HELSINKI	496500
LISBON	362 591
NAPLES	31 50 49
NUREMBERG	532047
OSLO	41 56 00
STOCKHOLM	231920
STUTTGART	79 9001

And we fly to the following US cities:

Detroit, Honolulu, Houston, Los Angeles, Miami, New York, Philadelphia (via Altair), Portland, San Francisco, Seattle, Washington.

**Pan Am's People.**  
Their experience makes the difference.

**9. Homesick.**

(Another good reason to call home.)  
(An international call is the next best thing to being there.)



**WAITING IT OUT** — Travelers provide their own accommodations and stretch out for naps during delays Saturday at Gatwick Airport in London. Flight delays, caused by a French air traffic controllers' dispute, were reported to be continuing to hinder travel yesterday.

**As Regime Downplays Military Links****African Role Is an Issue in E. Germany**

By Ellen Lenz

BERLIN, July 23 (NYT) — East German involvement in African conflicts is not only causing concern in the West, but is also being questioned at home.

"I would like to know what our people are doing in those trouble spots," an East Berliner, Alfred Schulz, asked a Westerner. In a radio program, Wolfgang Engelhardt from Halle said that he was worried to bear "about our socialist country's expansionist activities" in Africa.

For years East Germany has played a role behind the Soviet Union and Cuba in providing technical, military and political aid to some African countries and in lending support to black liberation movements. The full extent of the commitment has not been disclosed, evidently because the East German leaders fear an outburst of criticism and do not want their military activities known.

Last year, to the apparent embarrassment of the East German leadership, President Joachim Yomby Opango of Congo disclosed during a visit here that Congolese troops were being trained in East Germany. Unlike Chancellor Helmut

Schmidt of West Germany and President Carter, Erich Honecker, the East German leader, has not visited Africa. But he recently sent his defense minister, Gen. Heinz Hoffmann, on an inspection trip.

**Five-Country Tour**

During a two-week tour, Gen. Hoffmann visited army installations and discussed "further military cooperation" in Tunisia, Algeria, Angola, Guinea and Congo. Some of the troops to be inspected were led by East German instructors. He acknowledged after his return.

To reply to questions raised by East German citizens about the African connection, the government has sought to justify its stand as an act of international solidarity.

"The socialist countries support the liberation movements in their fight against racist regimes," said Gunter Leuschner, a party official, in a television program. "That is nothing new. We have done that all along. We also render help, including military aid, to independent African countries that are exposed to acute threats from the outside."

The East Germans want to minimize their military role. Mr. Honecker denied reports in the *Sunday Times* of London and elsewhere that East German paratroopers were in Africa preparing for an attack on South-West Africa, the strife-torn territory that is about to gain at least nominal independence from South Africa.

"Reports about our paratroops being there are fabrications that

only serve to poison the atmosphere," the East German leader told a Western reporter.

Gen. Hoffmann described as "slander" Western reports that he had inspected East Germany's "Afrika Korps," an allusion to Nazi Germany's African expeditionary force in World War II. The defense minister also dismissed as "senseless" the suggestions that East German troops in Africa numbered in the "tens of thousands" or that arms were being supplied to 23 African and Arab countries.

East German activities in Africa apparently began in the early 1970s at the urging of the Soviet Union. It is assumed that Moscow picked East Germany because of its wealth and because of the Germans' proven military discipline. For the East Germans, the invitation offered a chance to enhance their international prestige at a time when they had not yet won recognition from most Western countries.

Aside from the countries visited by Gen. Hoffmann, East Germany is known to have commitments in Ethiopia. A newspaper here recently published a picture of Ethiopians, described as "tractor drivers," who were being trained in East Germany.

Other countries where East Germans is believed to be influential are Libya, which recently signed a 10-year cooperation pact and is reported to have 450 East German military advisers, and Southern Yemen, where 1,500 East Germans are understood to be stationed.

**Terrorist Acts Grow**

(Continued from Page I)

lates. Prima Linea is reportedly to be smaller and less well organized than the Red Brigades which has an effective underground military organization.

The terrorist attacks committed by the Red Brigades and Prima Linea have mostly been directed against deliberately selected, politically identifiable targets — such as prison wardens, magistrates, politicians and business executives dealing in labor relations. In most cases, the terrorists later explained the reasons for the attack in terms that they hoped would find the approval of the socially disadvantaged.

**No Pattern**

There is no such social or political pattern to the recent wave of arson and bombings, according to police authorities.

The attacks, for the most part, appear to be spontaneous actions by individuals or small groups against targets of convenience that may have been chosen minutes earlier on the basis of whom rather than political doctrine, the sources said.

They added that the attackers often appear to be disgruntled students, workers or embittered unemployed persons who have no relations to any of the "established" terrorist organizations and no connections with any of the political groups of the extreme left or right.

After a stormy all-night session Friday, the summit leaders passed a compromise resolution setting up a committee of five heads of state under the chairmanship of the Sudanese president, Gaafar Numeiri.

They are to study "all the facts" in the Western Sahara dispute, including the exercise of the people's right to self-determination, in preparation for a special summit to discuss the issue failed to take up.

The summit meeting made little progress with mediation efforts on the Ethiopia-Somalia and Chad-Libya disputes. It urged its special committees set up deal with them to continue their efforts.

For the first time at an OAU summit, an African leader, President Numeiri, raised the question of the 17-year-old war in Eritrea. He said that it had become a threat to the peace of the whole continent and was not just an "internal problem" of Ethiopia's claims.

The summit meeting called on the committee mediating in the Sudan-Ethiopia dispute to examine the "root causes of the problem" — an indirect reference to Eritrea.

**Secret Arms Fund Case****Saps Morale in Rhodesia**

(Continued from Page I)

curacy of Highlands North, one of the wealthiest districts in the country. At a meeting two nights before the vote, Mr. Smith had his worst reception in politics. Hecklers greeted him with cries of "Dishonest!" and "Deceit!"

The new mood was reflected in the election result. The government candidate won, but with only 49 percent of the vote, down 20 percent from the general election result 11 months ago. Ultraconserva-

**U.S., U.K. Bar Military Pilots**

In Soviet Meet

(Continued from Page I)

WASHINGTON, July 23 (AP) — The United States and Britain announced today that they have pulled their military teams out of this year's world helicopter championships, scheduled to be held in the Soviet Union, because of the recent trials of Soviet dissidents.

The competition, which has been held in Western countries in previous years, is scheduled for July 28 to Aug. 6 in Vitebsk, Belarus.

The British Foreign Office meanwhile said in London that it would be "inappropriate" for British military pilots to participate.

Authorities are worried that these attacks, even more directly than the operations conducted by the established terrorist organizations, seem to be triggered by the social ills for which the government has no answer, such as youth unemployment.

They added that the attackers often appear to be disgruntled students, workers or embittered unemployed persons who have no relations to any of the "established" terrorist organizations and no connections with any of the political groups of the extreme left or right.

It is believed that most of the arms come from France, Italy and Israel. Some also come from Arab countries, and U.S. arms and ammunition have been used, sometimes arriving in boxes with Arabic markings.

The disclosure of the fraud has come at a time when most white Rhodesian families have at least one member involved in the fighting. The strain of military expenditures on taxpayers and businesses is a prime topic among whites. The 1978-79 budget, released this week, raised military outlay to \$371 million — more than \$1 million a day.

How Rhodesia obtains its arms has been one of the best-kept secrets since Mr. Smith's 1965 unilateral declaration of independence from Britain. Defending government censorship of the case at his news conference, he maintained that press coverage of the court proceedings would have caused grave damage to the country's economic and security interests.

It is believed that most of the arms come from France, Italy and Israel. Some also come from Arab countries, and U.S. arms and ammunition have been used, sometimes arriving in boxes with Arabic markings.

The disclosure of the fraud has come at a time when most white Rhodesian families have at least one member involved in the fighting. The strain of military expenditures on taxpayers and businesses is a prime topic among whites. The 1978-79 budget, released this week, raised military outlay to \$371 million — more than \$1 million a day.

Mr. Sadat spoke on the eve of the Israeli Cabinet meeting in

**Shift From Neutrality****Laos Supports Vietnam In Indochina Wrangles**

By Henry Kamm

BANGKOK, July 23 (NYT) — Laos, which has been gradually shifting from apparent neutrality to tow-keyed support of Vietnam in the disputes between Vietnam and Cambodia and China, has ranged itself fully on the Vietnamese side in a strong government declaration followed by an editorial in its Communist Party newspaper.

The statements were received with considerable surprise by observers in the diplomatic community here, in view of the fact that China maintains an important military presence in northern Laos. It had been assumed that the smallest and weakest of the three Indochinese Communist states could ill afford to offend its neighbors, particularly China.

However, the Vietnamese military and political presence is strongest in Vientiane, the capital, and the other towns under government control. Moreover, the Soviet Union, Vietnam's principal ally, has a heavy contingent of political and technical advisers in Vientiane.

**Anniversary Message**

The Laotian declaration, issued in the name of Prime Minister Kaysone Phomvihan, whose links to Hanoi are strong, was made on the first anniversary of the signing of three basic documents in Laot-Vietnam relations: a joint statement



## What Price for the West Bank?

The central question now put to Israel is starkly simple: Will it rule out further settlement and annexation of territory in the West Bank in return for a full peace with Egypt, the negotiation of new borders with Jordan and West Bank Palestinians, and a definition of its continuing security requirements beyond those borders? Having brought President Sadat to the offer of such a deal, the United States need make no apology for pressing hard for a clear Israeli answer.

\* \* \*

After the negotiations at Salzburg and Leeds Castle, it is up to Israel to put Mr. Sadat to the test. He says he will bring Jordan and Palestinians to the table if the above agenda is accepted by Jerusalem. He says he will not rule out moving the final borders from the 1967 lines. He says he understands the need for an Israeli military presence beyond those lines. He says the timing of Israeli withdrawals from the West Bank is negotiable. And he says that if Jordan or the West Bank Palestinians refuse to negotiate on that basis will make a separate peace. Israelis will not lightly trust these propositions; that would be imprudent. But in the end there is only one way to test them.

Israel needs to state whether there is any conceivable package of security arrangements — short of claiming the West Bank for gradual absorption — that is worth a peace with Egypt, acceptance by Jordan and an important community of Palestinians, and an end of the dangerous erosion of American support. Is it for the safety of Jerusalem and Tel Aviv that Israel bargains, or for ancestral rights in Hebron? Prime Minister Begin has so confused the matter, even in his parliament and Cabinet, that he risks sacrificing Israel's poignant need for security on an altar of territory.

\* \* \*

Mr. Begin asks whether he has not been generous enough in postponing Israeli claims of sovereignty in the West Bank and offering "self-rule" to the million Palestinians there and in Gaza. Why has Jordan failed to negotiate from that point? Probably because Jordan, like a growing number of prominent Israelis, understands the fine blueprint in the

offer. While Arabs rule their own communities, Israelis financed by their government and protected by their army would continue to buy and settle West Bank lands so that when the question of sovereignty is next examined, they will have completely altered the face of the region. Behind a shield of security, they would have staked out claims to more territory. If it were not so, why have there been no Israeli security proposals — as for the Sinai — that plainly renounce the ambition for territory?

\* \* \*

The time has obviously come to see whether Egypt and other Arab nations can accept a similar distinction — if Israelis do. President Sadat merits test not because he threatens new trouble or more war but because he appears ready to accept the most fundamental requirements of peace. If he does not mean it or cannot deliver, how tragic for Israel to bear the blame of having never tried him. It will be said that in accepting his principles for further negotiations, Israel would surrender all claims to the West Bank in exchange for talks that may not soon be held or ever lead to anything. But that is pedantry, not power politics. Israel holds the lands. It either wants to exchange them for still greater security or it cannot bring itself to define what that might be. To offer an exchange is not to yield what that might be. To offer an exchange is not to yield either a principle or an asset. To ask a price is not to consummate a deal. What price, in security, for the territory?

THE NEW YORK TIMES.

## To Rescue the Energy Plan

With the promises that he gave in Bonn, President Carter has changed the politics of oil and energy. One crucial part of his energy program, from the beginning, has been to raise U.S. domestic oil prices to the world level, ending the present enormous subsidy to imports. Until now, Mr. Carter has been urging Congress to push the price up with a tax on domestic crude oil. But Congress refuses. Mr. Carter's crude oil equalization tax bill is a dead duck. It hasn't been passed, and it won't be. But a week ago Mr. Carter told the other major industrial nations in Bonn that he was still determined to bring oil imports under control and get the U.S. price up. How is he to do it?

\* \* \*

One possibility is a tariff. Another is an import quota. The president could impose either, without Congress' help, under his emergency powers. But both tariffs and quotas for oil are dangerously bad ideas. Either would set an evil precedent in world trade. Either would be extremely difficult to administer, with infinite possibilities for favoritism and manipulation.

There's a much better and more direct way to do it. U.S. prices are currently held down by mandatory price controls set by law. But by next May, those controls cease to be mandatory. The president can then set them wherever he chooses. We suggest that — after the election, perhaps at the beginning of the next Congress — Mr. Carter announce he is gradually going to take the price controls off crude oil, over a two-year period.

Decontrolling crude oil would raise prices of oil products about a nickel a gallon. The total revenue would be about \$15 billion a year. That brings us to the second half of our suggestion. President Carter ought, at the same time, to ask Congress to enact a simple severance tax — a flat amount of each barrel, paid by the producer — to scoop up most or all of that \$15 billion a year and send it to the U.S. Treasury.

Mr. Carter's original crude-oil tax would have put Congress in the position of voting a tax that would raise the price, and it was a position that not many people in Congress cared to occupy. The president would do better to raise the prices himself by lifting con-

trols. Congress then gets the much more congenial job of rushing to the public's protection with the tax that will keep that \$15 billion a year from flowing to the oil producers. How big a severance tax? Foreign oil is now entering this country at about \$14.50 a barrel. New oil production in this country is controlled at about \$12 a barrel. The severance tax would be as much of that \$2.50 difference as Congress thought the public ought to recapture. There would have to be a higher tax on the pre-1972 oil production, since it is now controlled at a much lower figure. But with that single exception, there would be no variations.

\* \* \*

There would be none of the rebates, energy trust funds or production subsidies with which the administration has tried to fan up congressional interest in its original tax bill. There would be none of the dubious dispensations and murky distinctions that are rapidly eating their way, like termites, into the present regulatory structure — the breaks for small refiners, for Caribbean refineries, for certain recovery methods, for small wells, for Alaskan oil, and so forth. The present system is becoming increasingly irrational and unmanageable. It is only a matter of time until major enforcement breakdowns, and perhaps scandal, overwhelm it. It can't be remedied as long as the government keeps trying to maintain several widely differing prices for the same oil.

\* \* \*

To come back to the basic question, why raise oil prices a nickel a gallon? Because even small increases make people more careful in using the stuff. Because it is absurd to hold prices down artificially, when Mr. Carter and most other Americans think that the country uses too much oil. If decontrolling oil created social inequities, they would be minor compared with the gross inequities imposed by the general inflation that, as Mr. Carter accurately observed in his press conference Thursday, is being aggravated by the outflow of dollars for foreign oil. Congress won't swallow Mr. Carter's original oil-tax plan. But, as we suggest, there's a better and simpler way to get from here to there.

THE WASHINGTON POST.

## In the International Edition

### Seventy-Five Years Ago

July 24, 1903

NEW YORK — General Cassius Clay, the Kentucky statesman, died today at his home in Whitchurch, Ky. He was 93. The general joined the army in order to go into politics in his fighting state, where he was known for always carrying a concealed Bowie knife and a brace of pistols during political meetings, in case of quarrels. The general was a noted abolitionist. His family visited him before his death, but only after being assured that all firearms had been removed from his room.

### Fifty Years Ago

July 24, 1928

MOSCOW — Motion pictures thrillers of the type which dominated the American screen years ago are still at the height of popularity in the Soviet Union. American "Westerns," daredevil jumping, melodramatic serials — some of them apparently already discarded at home — can be seen in scores of cinema houses here. Officially the thrillers are condemned as "reactionary," but at a mock trial of one of the films here, the audience overruled the judge's advice and pronounced the film "innocent."



'One Businessman for Two Spies — And I'll Raise You by Two Reporters.'

## Holding the Russians to Account

By Joseph Kraft

**WASHINGTON** — The tit-for-tat game of reprisals currently being played by Russia and the United States presents peculiar dangers at this time. For neither the Brezhnev regime nor the Carter regime is in a strong position to control its own security apparatus, as the cops are now called.

So it is important to try to build a floor under the downward spiral in Big Two relations. In that connection it makes sense to pay attention to a case that has been perhaps bungled — the case of the International Harvester man in Russia, F. J. Crawford.

The Crawford case began toward the end of May when two Russians — Valdimir Enger and Rudolph Chernyaev — attached to the United Nations Secretariat were arrested on charges of trying to buy data on U.S. anti-submarine warfare program. Contrary to usual practice in Soviet spy cases, they were booked with great publicity and held on a bail of \$2 million each. The unusual publicity — and maybe the steep bail — suggest that the FBI, which has not been in the best repute these days, was trying to win some rave notices.

### Clear Repraisal

Mr. Crawford was arrested in Moscow on June 21 in what was clearly a reprisal. The KGB showed how little it was under restraint by dragging him out of a car, and then being confused as to whether the charge was smuggling or, as proved the case, illegal currency dealing. On June 26, in what looked like a bargain, the two Russians and Mr. Crawford were released in the custody of their respective embassies with the understanding that they would be available for trial later.

In fact there is no symmetry between the two cases whatsoever. The two Russians were KGB men apparently engaged in a dangerous and dirty profession. They seem to have abused the UN as a cover for espionage. Moscow evidently wants them back badly because the KGB takes care of its own, and the Brezhnev government is in poor posture to resist KGB pressure.

Mr. Crawford, whom I saw recently in Moscow, is a private citizen working for a reputable company which has built up over many

years a good record in doing business with the Soviet Union. His colleagues and competitors assert his innocence, and so, after at first being suspicious, does International Harvester. Even if he were guilty, his purely private civilian activities have nothing in common with the spook business.

### Distinction

That distinction needs to be made publicly and with great force. It ought, preferably, to be made by the private business community. For American business, so bold when it comes to cuffing around the Carter administration, has a vital interest in dispelling the widespread suspicion that it is chicken when the Russians crack down.

Even if the business community does not make the point, however, the U.S. government should. For not only is there no symmetry, not only can there be no trade of an

intelligence service.

American businessman against two Russians' spies. More important, underlining the difference gives the president high ground to stand on in the game of tit-for-tat.

Up to now, President Carter has been largely reacting. Because he is not standing up to the Communists, he has had to take retaliatory steps every time the Russians moved. Thus he felt obliged, when the trials of the dissidents Anatoli Shcharansky and Alexander Ginsburg were opened two weeks ago, to cancel a scientific mission due to go to Moscow.

### Canceled Sale

When the two men were sentenced, he felt obliged to cancel the sale of a giant computer to Russia, and to hold up the sale of oil-drilling equipment. He was under great pressure to postpone the arms control talks at Geneva, which in fact turned out to be quite productive.

Instead of reacting, Mr. Carter needs to force the Russians to react. The Crawford case holds out that opportunity. For the administration can tell the Russians that while it is ready to consider trades of many prisoners, Crawford cannot be part of a bargain involving spies. Rather than give way on that point, the administration should be prepared to notify all private firms that it cannot be responsible for the safety of American businessmen in Moscow, who will henceforth go at their own risk.

That threat, which the administration could easily back up, has to be taken seriously by the Russians. Making it would put the president in a position to hold Russia to account without endangering interests in arms control and other matters which go beyond the individuals Moscow so callously chooses to hold hostage.

### Threat

The Americans would be at the head of the table," French President Georges Pompidou said Chancellor Brandt recalls. Bismarck's reply when told of a dispute over where he would sit at European conference — "New mind, wherever I sit, will be the head of the table" — and argue that the Europeans could hold their own.

Valery Giscard d'Estaing, the first non-Gaulist president in 11 years, reversed the French position in 1975 and called the initial summit at Rambouillet. The summit device is critical. Ministerial meetings occur regularly. But, in every country, economic strategy — it desired rates of growth, employment, inflation and budget deficit — is decided by heads of government. The year-round seven-nation discourse requires each of them to his partners and to answer for the in face-to-face meetings.

### Package Deal

The package deal that was proposed by Britain and confirmed at the summit commits the United States to reduce oil imports and West Germany and Japan to combat the lagging growth rates and steep export surpluses that have constrained recovery in most of Western Europe. That should permit France, Britain, Italy and the smaller Common Market countries to seek faster growth without fearing large payments deficits. Increased imports there should speed recovery by the developing nation. The multiplier effect of these mutually reinforcing accelerations should be sufficient to arrest Europe's rising unemployment within a year and, perhaps, even to reverse the trend.

Similar plans were made at London last year but they were not carried out. Will it be any better now? There are promising signs. Although the communiqué was negotiated in advance, the key detailed pledges were inserted by the chief of government — West Germany. After a partial Cabinet session — adding an element of reconciliation and personal commitment. Little had remained in the agreed communiqué of Chancellor Schmidt's year-long challenge to his allies. Thesis that growth must precede currency stability rather than the reverse.

Moreover, the policy targets are reasonable, and the date for promised action are close. The West German Cabinet will meet this month to add about \$6 billion of tax cuts and spending increase to the 1979 budget for submission to the Bundestag. Japan's Diet will be summoned to a special budget session in August or September. The growth rate has not increased to 7 percent by then. A follow-up meeting of special emissaries will be held in the fall to monitor progress. The results will not be evident until next year. But it is of capital importance that a cooperative effort to speed recovery finally be made.

William Manchester is a writer-in-residence at Wesleyan University. He wrote this article for *The New York Times*.

## Leveling American Society

By William Manchester

**MIDDLETOWN**, Conn. — Doughboys in 1918 had a much higher opinion of their officers than did GIs a quarter of a century later. The officers had not changed. For instance, Douglas MacArthur, a general in both world wars, was just as arrogant, just as fearless, just as conceited, just as brilliant on V-J Day as on Armistice Day.

It was America that had changed. A tightly disciplined society had become passionately egalitarian; two bloody conflicts and a great Depression had discredited authority. Public men were supported by insisting that they were very common men. The popular general was Eisenhower, with his infectious grin, his diminutive, and his little filling-station attendant's tunic. Ike asked to be liked, and he was. MacArthur in his braided cap demanded that he be revered, and he wasn't.

Now, after the Vietnam War and Watergate, leveling has become a secular religion, a faith as powerful and intolerant as Puritanism in

faster rate than the increase in output. The money supply is increased in order to help finance the recurring federal deficits, in keeping with the Fed's responsibility for maintaining the economy on an even keel.

So the real culprit is the federal deficit. As Chairman Miller of the Federal Reserve has pointed out, a real effort must be made, over the next few years, to bring it down to a level that will reduce inflation to an acceptable level.

Most of us taxpayers would like to see this accomplished by reducing expenditures, rather than raising taxes. If our people in Washington would bend their efforts in this direction, we would regard them as heroes rather than scoundrels.

ELMER J. NELSON, London.

### Ethnic Inventory

George F. Will's article tracing his ancestry back to Charlemagne (IHT, July 5) was entertaining to read but left a disturbing aftertaste about the U.S. Census Bureau's probe.

By also bringing rights into their foreign policy, and by communicating openly with dissenters and their relatives, the Carter administration has gone some way to humanize society for which the world community is surely grateful. Let us hope that this attitude is gradually amplified at home and abroad in the interests of the East and of the West, when even the bearded Kremlin leadership finds it difficult to remain indifferent.

HARRY SPIRO, Geneva.

### Inflation Debate

The Washington Post editorial "U.S. Inflation Debate" (IHT, July 14) confused effect with cause.

Thanks to Milton Friedman, most of us now know that inflation, as measured by the Consumers Price Index, results from an increase in the money supply at a

JAY L. JOHNSON, Arles, France.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation for space reasons. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address. The International Herald Tribune cannot acknowledge letters sent to the editor.

It is impossible to see where all this will lead, but the signs along the way are ominous. The present tenant of the White House got there by running against the office he hoped to occupy, and to which he has since added so little luster. Now that the pejorative "elitist" is used to describe excellence, inevitably, will become scarcer. The language is deteriorating in the name of "usage," under which grammar is determined by a kind of continuing voice voter; if sufficient people say, "It is me," the error ceases to be an error. Gifted children are ineligible for special attention, though retarded children aren't; being below the general level, they must be brought up to it.

In short, we are expected to look down on those above us, and up to those beneath us. Since superiority is in itself, however, everyone tries to look like, talk like, and be like everyone else, and thus all the attributes that once separated people from one another are discounted. Doubtless this comforts those in whose breasts lurk the gnawing of Hootor's "Le bijoux de l'ennui" (and usually justified) hunch that they really are inferior. It puts extraordinary souls at a disadvantage. Democracy, let it be large, is a form of government that is acceptable because the alternatives aren't. It should be confined to the polls. Clearly something is wrong when a suburban mother defends her adolescent daughter's determination to have a baby by saying, "We believe in democracy at home — in kids making their own decisions." or when grammar school pupils are asked, "How many think Lincoln was well-adjusted? Hands, please."

Since World War II an entire generation of American writers has

been writing about the decline of the middle class. The result is a sense of despair, a sense of helplessness, a sense of hopelessness. The result is a sense of hopelessness.

William Manchester is a writer-in-residence at Wesleyan University. He wrote this article for *The New York Times*.

## INTERNATIONAL

### Herald Tribune

Published with The New York Times and The Washington Post

Chairman

John Hay Whitney

Co-Chairman

Katherine Graham

Arthur Ochs Sulzberger

Publisher

## A U.S. Newsman in Russia: Tracked, Harassed

*Emil Sveilis returned to the United States last month after two years as United Press International correspondent in Leningrad, where he was the only Western journalist on permanent assignment. He sums up a foreigner's impressions of life under constant surveillance in the Soviet Union's second-largest city.*

By Emil Sveilis

NEW YORK (UPI) — As the plane lifted off the runway at Leningrad International Airport taking us away for the last time from a city we had called home for two years, I turned to my wife but found nothing to say.

Those years in the Soviet Union's second largest city had taught us to be sullen, tight-lipped and unemotional — by necessity rather than by choice. A foreigner's apartment is bugged, his telephone is tapped, he is frequently followed wherever he goes and sometimes harassed by the KGB.

Living under such conditions, most foreigners quickly develop a sixth sense of not saying anything that may be overheard and used against them by Soviet officials at a later date.

They know when you have quarrels, they know when you have sex, and with whom, and they know how much you drink and smoke. Over a period of time, the Russians have a pretty clear character picture of every foreigner stationed in the Soviet Union.

Each foreign apartment house is guarded around the clock by police, ostensibly to keep Soviet thieves and hooligans out. But in reality the guards are there to bar entrance to Russians who want to visit their foreign acquaintances.

Police also write down the name when a tenant leaves or returns and, if he is traveling by car, his license number.

A West German diplomat in Leningrad said: "The KGB works on fear. The Soviets consider all foreigners spies, or at least potential spies. They believe Western foreign services and businesses are set up the same way as theirs."

## Fishbowl

These are some of the physical conditions foreigners live and work under in the Soviet Union. Added to that, there is the mental strain of being in a fishbowl, or an electronic zoo not far removed from George Orwell's "1984."

Two years of being on guard against loose speech is hard to erase in a moment. Even today, a month after leaving the Soviet Union, we still feel uneasy in our conversations; and I still occasionally keep an eye on the car's rearview mirror for any possible tails.

But in some ways the strain helped. It taught us a great deal about the values of life, and the isolation in Leningrad brought our family closer together. Getting by without the West's physical temptations, like good movies, entertaining television, gourmet restaurants or even a decent grocery store, left a lot more time to think. It was left up to you whether to sink into lethargy, go mad at times, or face it as best as you could.

There were even entertaining moments, besides the excellent ballet. During a particularly hectic month of being followed by the KGB our two sons — 11 and 9 years old — devised a game of writing down the license numbers of our tail cars.

A grey Volga sedan with the number LEB-35-27 won the game hands down. Over a three-week period, it followed us 17 times over an estimated distance of 250 miles through the streets of Leningrad.

Two of the most popular KGB agents assigned to us were Turle and Flatface, so nicknamed by our boys, because Flatface looked as if he had run into a brick wall, while Turle — a heavy-set man lacking agility — was a joy to lose in stores when the kids went out alone. Neither my wife nor I ever tried to shake a tail, however, because such action made them angry and more suspicious.

## Not So Funny

Then there were the not-so-funny moments that left one shuddering at the thought of what could have happened.

Three months after arriving in Leningrad, I parked my car outside the police-guarded Astoria Hotel to meet a dissident source. When I left an hour later, I felt that the steering wheel was heavy and stopped to look at my front tires. The one on the right was almost flat, and, while changing it, I saw that it was not my tire and that it was fastened on by only two lug nuts screwed in about a quarter of an inch.

By driving a car in such a condition, even the slightest turn could have snapped off the wheel, resulting in possible personal injury. Yet the two Soviet policemen standing less than 10 feet from my car later swore at an interrogation that nobody had touched my car.

A senior police inspector, called in to take charge of the interrogation, was adamant that the exchange of wheels had not happened in front of the Astoria Hotel and strongly suggested that I had changed the wheel myself to embarrass Soviet police.

During the two-hour questioning, I was asked to produce my U.S. passport. The kicker came when my place of birth was given as Latvia, a country now under Soviet control.

A plainclothesman suddenly picked up the phone in the hotel's interrogation room, whispered something unintelligible into the re-

corder and then hung up. Twenty minutes later I was told I could go but was warned to stay in town for any further questioning.

As I was loading the bald and unwanted tire into my trunk, a young man came up to me and said in English: "I understand you are Latvian. I know two beautiful Latvian girls and they are already waiting for us."

## Angry Response

In the crudest language I could muster, I told him to take himself and his girls and go for a dive in the Neva River, preferably from a high bridge, because all I was interested in doing was getting home alive.

It had taken the authorities only 20 minutes to come up with a possible set-up and a compromising situation which would have negated the tire incident.

Shortly afterward, my wife, Charlotte, who worked at the U.S. Consulate-General in Leningrad, was taken on an official 1 1/2-hour unwanted tour of the city by a cab driver who finally took her to a dead-end street in the city's dock area and said in perfect English: "Well?"

"Well, what?" she inquired. The cabby turned off his engine and stared at her with a smile for a minute — a long time if you don't know whether he wants to rape you, kill you or just have fun.

"You must understand," he said. "Our people still remember the Stalin times when no criticism at all was tolerated. They are still afraid to say, what is on their minds about."

Even today Russians do not know where the fine line between minor criticism and major criminal charges of anti-Soviet propaganda exists — charges that can bring long sentences in Siberian labor camps.

Life in the Soviet Union for foreigners is drab, boring and very frustrating. It is impossible to reminisce with Russians who have never been out of the country and who honestly believe you are putting them on if you say you can buy a head of lettuce at any time of the year in the West.

It was especially difficult for our family since I was the only foreign correspondent in Leningrad and the foreign community consisted of 75 persons — members of the Western diplomatic corps and businessmen.

In Moscow there are several hundred foreign journalists and a total foreign community of about 3,000.

## Examples

The following are some examples:

• Dieter Boden, consul at the West German Consulate-General, who at the end of his tour of duty was to drive out in his car through Finland, found on the day of his departure all four of his tires slashed. Luckily the West Germans had just received a shipment of tires and Mr. Boden was able to leave on schedule.

• A U.S. diplomat returned to his apartment after a weekend at the consulate's summer house to find human feces on the hall rug as a reminder that no matter what kind of lock he put on his front door, "they" could get in.

• A nonsmoking U.S. diplomat found his toilet full of cigarette butts after returning home one evening.

• A Western consular official had to scrap his car because the gasoline tank was filled with sugar.

• A U.S. consular official had to fight his way through a bunch of KGB-paid goons who wanted to throw him into one of Leningrad's many canals.

This is a nation of 260 million people whose new Brezhnev constitution boasts a variety of individual freedoms, but only as long as the individual adheres to the principles of socialism. In other words, a person can easily be prosecuted and sentenced to long prison terms by a kangaroo "people's court" for even minor criticism of the Communist Party.

The same holds true regarding an individual's religious beliefs. When V.I. Lenin came to power after the Bolshevik Revolution in 1917, he separated the church from the state, but this divorce was not a simple proposition.

## Downgraded

Up to this day it allows atheist movements to downgrade and attack religion while churches are powerless to fight back. Churches are not allowed to organize any social activities, priests and ministers are forbidden to evangelize, because such action can be construed as religious propaganda which in itself becomes anti-Soviet propaganda.

Religious institutions in the Soviet Union are overseen by a religious council composed mostly of atheists that makes certain that individual parishes function the Soviet way. At a reception, one council member told me about a wonderful Russian Orthodox priest at a small church outside Leningrad. I inquired why he was considered so exemplary.

"During his 30 years as a priest he has yet to deliver a sermon," answered the council member.

My family and I decided to visit midnight mass at a Russian Orthodox church this past Easter, but when we got within 100 yards of the building, a policeman popped out from behind a gravestone and said that children were not allowed to go to church — only people over 18. I asked him why. He replied, "That's the law. Our government does not want to poison children's minds with religion." We told him it was none of his business since I was a foreigner. He only became

convinced after I had shown my Foreign Ministry press card and my passport, and then he reluctantly agreed.

Anti-religious propaganda, which used to dominate Soviet newspapers, has been cut down. Instead, attacks on religion are centered on foreign religious institutions that send couriers into the Soviet Union armed with Bibles and religious pamphlets.

Some are caught at the border or at the airport, but a surprisingly large number get through.

## Always Right

Minor criticism is tolerated in individual areas of society, but never in a blanket indictment of the Communist Party. A low-ranking party official seeking to curry favor said in an interview: "The Soviet Communist Party has always been right, is right and will continue to be right."

Thus, the average Russian can only grumble about bad service at stores and restaurants, the rundown condition of city transportation and potholes in the streets.

Criticism of this sort is appearing more frequently in Soviet newspapers, but a Soviet editor confided that even letters of complaint are made up by the paper's editorial staff under orders from the City Soviet, a party organization vaguely resembling a city council.

"You must understand," he said. "Our people still remember the Stalin times when no criticism at all was tolerated. They are still afraid to say, what is on their minds about."

We were not the only ones to be harassed by Soviet security officials. While journalists tend to make their protests public when they are badly treated in unfriendly countries, diplomatic protests are usually carried out without much publicity. During my assignment in Leningrad, I had a tire slashed seven times, but that does not compare with the experiences of some Western diplomats.

Two years of being on guard against loose speech is hard to erase in a moment. Even today, a month after leaving the Soviet Union, we still feel uneasy in our conversations; and I still occasionally keep an eye on the car's rearview mirror for any possible tails.

These are some of the physical conditions foreigners live and work under in the Soviet Union. Added to that, there is the mental strain of being in a fishbowl, or an electronic

zoo not far removed from George Orwell's "1984."

doing everything in their power to make your life more difficult, yet at receptions appear like star-spangled chameleons.

During the Leningrad visit of Mrs. Walter Mondale last year I was introduced to the KGB agent

in charge of Soviet security. "Well, so this is the Mr. Sveilis," he said with a smile.

The next day during a tour of the Hermitage Museum he signaled me in advance what corridor Mrs. Mondale would take and in general

was very helpful so I could be ahead of the mob to take photographs.

After seeing Mrs. Mondale leave the airport, I was driving back to the city when, sure enough, there was the familiar tail 100 yards behind.

Another time while visiting a Soviet acquaintance, neither an official nor a dissident, the KGB tried to listen to our conversation by setting up a parabolic microphone to pick up the vibrations from the windows of our room.

The Russians know exactly how much you eat, how much you drink and how much you smoke.

## Phone-Order Store

Contrary to Moscow, the diplomatic food store for foreign currency coupons in Leningrad is a phone-order store. When you place an order in the morning, it is delivered to your apartment in the afternoon.

Copies of the order go to Soviet anthrope who quickly learn the foreigner's eating and drinking habits. Soviet officials told me that cost of bottle of alcohol per week per person is considered normal, but anything above that they keep their eyes open for possible easy targets.

The diplomatic food store carries a reasonably good grade of meat when it is available, fruit in season and a variety of cheeses, all of which are appropriated from regular stores to spare the foreigner the procedure of standing in endless lines. It also has horrible-tasting Indian mango juice and Vietnamese pineapple juice from which three persons I know have come down with food poisoning.

Neighborhood food stores have almost nothing to display except endless shelves of canned tomato paste, canned borsch, half-rotten potatoes and neutral-tasting cabbage and beets. Lemons from California are sometimes available for \$3 per pound, as are grapefruit and oranges from Africa.

If you carry a Communist Party card other items become instantly available even though they are not displayed. Once a shipment of foreign beef went on sale and the consumer line quickly built up to 150 persons.

Again the black Volga sedans with tinted windows pulled up outside the store and the driver rushed to the head of the line, whipped out a party card and was instantly given the choicest cut of meat.

In the hospital Mrs. Rizk ran her hand over a bullet fragment still embedded in her stomach. "Why?", she asked no one in particular. "Just tell me why. I am poor. I have no husband, not much money. I am not young. Where can I go now?"

## Random Firing

No matter who is fighting the tactics are the same.

Rocket, artillery and mortar fire booms randomly into residential areas from distant firing sanctuaries. When the heavy weapons fall silent, it is the snipers' turn.

They crouch inside buildings or behind sandbagged rooftop barriers. They shoot whatever they see. The "enemy" is usually in his own sniping nest, so it is neutrals who pay the price.

When there are no human targets, the victims are dogs and cats.

On July 6, a second cease-fire between the Syrians and Christians in many places exploded into heavy weapons fire.

Mrs. Rizk said the ambulance swerved around narrow corners toward the hospital. The Syrian boy was quiet at first, then suddenly he spoke, very softly:

"I know the soldier who shot me," he told Mrs. Rizk in a whisper.

"I knew him. He was from the same town. His name was Raad. When we were little we used to play together."

## Shot by Playmate

"You know," she continued a little later, "in the ambulance with me was a young Syrian boy, maybe 25. He worked at the gas station and we knew him, a nice boy."

He was almost as scared as I was. He was running to the shelter and the Syrian soldiers stopped him. They said he was going to give us weapons, but he said he was just scared and wanted to go to the shelter.

"Well, the soldier said if he was scared just to keep running. But when the boy ran, the soldiers shot him in the back of the ankle."

Mrs. Rizk said the ambulance swerved around narrow corners toward the hospital. The Syrian boy was quiet at first, then suddenly he spoke, very softly:

"I know the soldier who shot me," he told Mrs. Rizk in a whisper.

"I knew him. He was from the same town. His name was Raad. When we were little we used to play together."

## Instant Response

A U.S. exchange professor standing 50th in the line decided that he had waited long enough, went to the woman chopping up the quarter of beef, pulled out his Master Charge credit card, shoved it in her face like he had seen a party driver do, and got an instant response.

Although she could not decipher the Latin alphabet and the two circles on the card were a mystery to her, she immediately thought it was something important and told him he could have as much beef as he wanted. It was a minor coup. He went home feeling that he had beaten the system.

In the Soviet Union, when you cannot get something off the shelf, bribery is a way of life. The



Emil and Charlotte Sveilis look at a multilingual book in the suburbs of Leningrad at their home in Quakertown, Pa.

the black market. Even a two-year-old fashion magazine will bring up to \$10.

In some inner areas of Russia, store-bought meat has not been seen for years. Instead the population is encouraged to grow its own vegetables and raise its own animals. An engineer returning from a small town in inner Russia told me, "If it were not for the home-grown items, there would be another general famine like in 1921."

After returning to the United States people ask me how it was to live and work in the Soviet Union. I answer: "It was interesting. Not great, not nice, but just interesting."

## Cocaine Use in U.S. Gaining Popularity

By Robert Reinhold

WASHINGTON, July 23 (NYT) — The use of marijuana and other illicit substances, particularly cocaine, is widespread among young adults who came of age in the 1960s, during the movement against the Vietnam War and activism over other social issues.

A Gallup Poll taken last year found that the number of people 25 to 29 years old who had tried marijuana nearly doubled from 1973 to 1977, to 51 percent from 26 percent.

And, according to the "National Survey on Drug Abuse — 1977," which was made for the National Institute on Drug Abuse, the percentage of persons aged 26 to 34 who have experimented with marijuana or its derivative, hashish, increased from 19 percent in 1971 to 44 percent last year. The widest use was among those who had attended college.

Although cocaine is popularly associated with jet-setters and movie stars, its use is

**Seeks 'What Is Politically Possible Today'**

By Jonarhan Kandell

**SAN SEBASTIAN.** Spain, July 23 (UPI) — It used to be said that if Franco ever wanted to find a lasting solution to the problem of Basque separatism, he would have to travel to this northeastern coastal resort and knock on the door of Juan Maria Bandres.

The late dictator never made the visit, instead carrying on a policy of heavy-handed repression in the Basque country until his death. Since then, a marked liberalization has taken place in Spain.

The Basque region remains the political Achilles heel of the center-right government of Premier Adolfo Suarez and Mr. Bandres, a defense lawyer for Basque extremists and now a senator as well, still holds many of the keys for a compromise with Madrid.

The source of his power can seem elusive. In a region where political parties and factions proliferate, he remains an independent with no organization of his own. But in an atmosphere of rigid, polarized views, the 46-year-old Mr. Bandres is that rarity: a true intermediary.

For 15 years, he has defended every Basque terrorist facing the death penalty. Yet he condemns the gunmen of ETA, the Basque-language acronym for "Basque Homeland and Liberty" — as being "completely out of step with the times."

**Distinguish the Grays**

During recent disturbances in the Basque provinces, when the fatal shooting by the police of two young protesters sparked a general strike and blockades of roads, Mr. Bandres led demonstrations, delivered eulogies and still got on the phone to speak with edgy government officials in Madrid.

On the key questio of autonomy, he favors virtual independence from Spain but says he is willing to settle for considerably less if the door stays open for further delegation of powers to the region in the distant future.

"When Franco was alive, the problem was black and white," Mr. Bandres said. "It was us against a fascist national government. Since Franco's death, the colors have faded, and now we have to learn to distinguish the grays. Our radicals are reforming reality when they insist nothing has changed."

"The fact that ETA members who were once sentenced to death or long prison terms have been amnestied and are now walking around the streets — that's real change. The fact that as a parliamentarian I have complete freedom

to say anything I want, also means things are very different today."

There are troublesome reminders of the recent past. Only the night before, an anonymous caller had promised Mr. Bandres that he would be a dead man within days.

The senator says he usually shrugs off these threats, but he finds it upsetting when his wife or one of his children picks up the receiver first.

Political commitment came later for Mr. Bandres than for most Basque activists. His father, an office worker, was a left-of-center democrat who never liked Franco but did not actively join the Republican or Basque separatist cause.

Mr. Bandres describes his mother as a more traditional Basque, although she never taught him the regional language.

Now that there has been a cultur-

al awakening in the region, Mr. Bandres is struggling to learn Basque, which has no apparent similarity to any other living language. He attends classes three times a week.

He recalls that defending political prisoners became his specialty. There have been thousands over the years — terrorists, propagandists, labor unionists and political organizers. He was arrested without charges several times, although he was never physically mistreated. In 1968 he was deported to southern Spain for three months. He keeps a framed copy of the deportation order in his office.

Mr. Bandres spends much of his time negotiating with the government on the future status of the Basque country. Parliamentary discussions are in progress in Madrid.

"We want a new constitution

on a new constitution to define the limits of autonomy for Spain's various regions.

He says that he would like complete independence from Madrid except for foreign affairs, the armed forces, a common currency and customs regulations. "We want our own police force as soon as possible," he said, "and eventually legislative, executive and judicial autonomy."

But he favors concessions that would tie the Basque country more closely to the rest of Spain than other separatists want. He says that the region should submit to broad economic planning in Madrid, and that it should be willing to turn over some of its tax revenues for use in less developed parts of Spain.

"We want a new constitution

**After 4-Year Exile in Brazil****Former President Returns to Portugal**

**LISBON,** July 23 (AP) — Amerio Thomaz, a hard-line president for 16 years under Portugal's former rightist dictatorships, returned from four years of exile in Brazil.

The impending return of the 83-year-old former admiral had touched off weeks of leftist protests. But his arrival at Lisbon airport aboard a Brazilian airliner from Rio de Janeiro was quiet. No demonstrators were in evidence, and Mr. Thomaz and his wife were whisked away in a police car, avoiding reporters.

Mr. Thomaz, whose homecoming was authorized two months ago by President Antônio Ramalho Eanes, was expected to try to slip into obscurity, perhaps living at a family house in a Lisbon suburb.

"He will be completely neutral," said an unidentified man among relatives gathered at the house.

**Arrested in 1974**

A friend and deputy to long-time dictator Antonio Salazar, Mr. Thomaz was arrested in April, 1974, by leftist junior military officers after they toppled the rightist regime. He was flown to the Portuguese Atlantic island of Madeira before being banished.

Mr. Thomaz resided in a Rio de Janeiro hotel, reportedly living less than \$2,500 a month supplied by sympathetic Portuguese emigrates.

Mr. Eanes said that the former president was allowed to return to Portugal on humanitarian grounds and that there were no criminal or other legal proceedings pending

against him as a result of his presidency, from 1958 to 1974.

Communist and left-wing members of Premier Mario Soares' Socialist Party denounced the pro-Soviet Portuguese Communist Party said that the news was a shock to "people who suffered for 48 years the violence and crimes of a fascist dictatorship."

Mr. Soares said he agreed with the decision.

Mr. Salazar, who was premier.

**Belfast Girl, 7, Hit in Cross Fire**

**BELFAST,** July 23 (AP) — A seven-year-old girl was shot twice in the back yesterday when she was caught in cross fire between police and IRA gunmen near her father's store.

Doctors said the child, Jacqueline Hale, was in stable condition. The gunbattle broke out at lunchtime when officers went to investigate a bomb threat in the Ardoyne area. They said it was a hoax to lure them into an ambush and when they arrived three guerrillas opened fire from the window of a shop.

A constable was hit in the leg but the wound was slight. The gunman escaped and it has not been determined whether Jacqueline was wounded by the guerrillas or the police.

Mr. Soares has played down the importance of the dispute, but crucial party meetings are scheduled early this week. If the conservatives vote against the Socialists when parliament reopens in October, Mr. Soares will once again lack a legislative majority.

Mr. Thomaz' return may heighten political tensions here, where a new government crisis is looming only seven months after Mr. Soares' previous all-Socialist Cabinet fell because of the country's prolonged economic decline.

Minority conservative members of the present governing alliance have said they may withdraw their support if Mr. Soares does not fire Agriculture Minister Luis Saisas. The conservatives contend that Mr. Saisas is delaying the return to private owners of farms seized by leftists after the revolution and is siding with Communists collectives.

Mr. Soares has played down the importance of the dispute, but crucial party meetings are scheduled early this week. If the conservatives vote against the Socialists when parliament reopens in October, Mr. Soares will once again lack a legislative majority.

Gen. Banzer sent his agriculture minister, Alberto Naujach, and education minister, Jaime Nino de Guzman, to Santa Cruz in his private jet to talk over the situation with Gen. Pereda. They stayed about 90 minutes, then flew back to the capital.

It apparently was at this meeting that the air force warned it had planes prepared to strike the capital unless Gen. Banzer resigned and it was this threat which forced his decision.

Right Hand Man

Gen. Banzer believed until that time that he could come to an agreement with Gen. Pereda, who for the last four years has been his right hand man and confidant.

Gen. Alfonso Villalpando, the army commander who for a few moments was a member of the military junta that ruled Bolivia after Gen. Banzer's resignation and before Gen. Pereda took the oath of office, said the armed forces were united in the fight against Communism.

Gen. Villalpando said so far no measures have been taken against leftists and added he did not believe they would be persecuted.

However, former President Herman Siles Zavazo, the leftist candidate and closest opponent to Gen. Pereda in the voting which was annulled, has not been seen in public since the start of the coup and his whereabouts were not known.

**Alps Toll: 171 in 1977**

**GENEVA,** July 23 (UPI) — A record 171 persons were killed in accidents in the Swiss Alps in 1977, the Alpine Club said.

**Sen. Talmadge To Pay \$35,000 Back to Senate**

**WASHINGTON,** July 23 (UPI) — Sen. Herman Talmadge, D-Ga., plans to quickly reimburse the Senate for about \$35,000 in improperly claimed expenses, his spokesman said today.

"The senator is anxious to make reimbursement for any discrepancies as soon as possible," said spokesman Gordon Roberts.

Sources said that an audit of an office bank account indicated Sen. Talmadge collected about \$35,000 in overpayments for official expenses from 1971 to 1977.

Senators obtain money for expenses by submitting vouchers with the office of the secretary of the Senate. Senate rules do not require detailed itemization of expenditures or supporting documents.

The Washington Star reported that about \$24,000 was for expenses that did not occur with the remaining \$11,000 for money that Sen. Talmadge spent but not on items considered by the Senate as legitimate expenses. Some of it, for example, went for entertainment that is not considered a legitimate expense, sources said.

The question is if an actual crime would be more real. This would be the time to test this hypothesis.

So my third and last book will be nonfiction. A how-to book for those who only stand and dream; a step-by-step instruction to oblivion.

(Mr. Drummond then discussed the locale for the crime.)

The city should enjoy a brisk economy and be large enough to contribute to New York's store of out-of-town newspapers. Cleveland maybe, or Columbus.

Columbus. Population — according to an old Rand McNally

**Republic National Bank of New York****Consolidated Statement of Condition**

JULY 30, 1978

**ASSETS**

Cash and demand accounts	\$ 174,297,765
Interest bearing deposits with banks	320,685,269
Precious metals	58,948,742
Investment securities	522,222,094
Federal funds sold and securities purchased under agreements to resell	274,875,000
Loans, net of unearned income	1,427,055,746
Allowance for possible loan losses	(26,704,925)
Loans (net)	1,400,350,821
Customers' liability under acceptances	105,192,693
Bank premises and equipment	17,576,335
Accrued interest receivable	46,080,677
Other assets	114,457,361
	<b>\$3,034,586,757</b>

**LIABILITIES**

Deposits	\$ 2,207,012,379
Federal funds purchased and securities sold under agreements to repurchase	254,933,972
Other liabilities for borrowed money	2,490,171
Acceptances outstanding	105,631,546
Accrued interest payable	111,533,045
Other liabilities	B2,411,504

**STOCKHOLDER'S EQUITY**

Common stock	100,000,000
Surplus	79,346,591
Surplus representing convertible notes obligation assumed by parent corporation	11,290,000
Undivided profits	80,037,549
Total stockholder's equity	<b>\$3,034,586,757</b>

Letters of credit outstanding \$ 125,581,144

The total investment in precious metals and the precious metal content of silver coins were substantially hedged by forward sales. The unhedged portion of this investment was \$2.7 million at June 30, 1978.

A subsidiary of REPUBLIC NEW YORK CORPORATION

**SUMMARY OF RESULTS**

For the Six Months Ended June 30,

	1978	1977
Net income	\$12,143,745	\$9,196,120
Net income applicable to common stock	10,018,745	9,196,120
Earnings per share of common stock:		
Net income:		
Primary	\$3.20	\$2.94
Fully diluted	2.96	2.70
Dividends declared	.76	.50

5th Avenue at 40th Street, New York, New York 10018  
Member Federal Reserve System/Member Federal Deposit Insurance Corporation  
New York • London • Nassau • Cayman Islands  
(19 offices in Manhattan, Brooklyn, Queens, & Suffolk County)  
An affiliate of TRADE DEVELOPMENT BANK HOLDING S.A. Luxembourg

Buenos Aires, Bogota, Caracas, Chacao, Frankfurt/Mun., Geneva, Luxembourg, Mexico City, Montevideo, Panama City, Paris, Rio de Janeiro, Sao Paulo, Tokyo



that gives us what is politically possible today, and leaves the door open for a further transfer of powers later on," he summed up. "I think we are building the foundations for an autonomy that we probably will see in our lifetimes."

The implicit message is that the Basque problem can be defused by immediate concessions from Madrid and the postponement of other pricklier demands. It appeals to some government officials who hope that the passage of time under a democratic regime might dilute Basque calls for complete independence.

**Basques Claim Responsibility**

**MADRID,** July 23 (AP) — Basque separatist guerrillas apparently claimed responsibility yesterday for the assassination of an army general and his aide, saying that the army "is the axis of fascist repression" in the Basque provinces.

Anonymous claims to news media on Friday had claimed responsibility for the slayings of two other leftist extremist organizations. The claim purporting to come from ETA was in a note sent to newspapers in the Basque region.

Police, who first







# New York Stock Exchange Weekly Bond Sales

NEW ISSUE

All these securities having been sold.

this announcement appears as a matter of record only.

July 5, 1978



¥ 30,000,000,000

## BANQUE FRANÇAISE DU COMMERCE EXTÉRIEUR

Guaranteed Yen Bonds No.2 (1978)

Guaranteed by The Republic of France  
due 1990

Coupon rate: 6.4%

Issue price: 99.85%

The Nikko Securities Co., Ltd.

The Nomura Securities Co., Ltd.

Daiwa Securities Co. Ltd.

Yamaichi Securities Company, Limited

The Nippon Kangyo Kakumaru Securities Co., Ltd.

New Japan Securities Co., Ltd.

Sanyo Securities Co., Ltd.

Wako Securities Co., Ltd.

Merrill Lynch Securities Company

Tokyo Branch

Osakaya Securities Co., Ltd.

Okasan Securities Co., Ltd.

Loeb Rhoades Securities Corporation

Tokyo Branch

Koa Securities Co., Ltd.

Marusan Securities Co., Ltd.

Toyo Securities Co., Ltd.

Yachiyo Securities Co., Ltd.

Koyanagi Securities Co., Ltd.

Nichiei Securities Co., Ltd.

The Chiyoda Securities Co., Ltd.

Hinode Securities Co., Ltd.

Ichiyoshi Securities Co., Ltd.

Muruman Securities Co., Ltd.

Meiko Securities Co., Ltd.

Mito Securities Co., Ltd.

The Toko Securities Co., Ltd.

The National Securities Co., Ltd.

Towa Securities Co., Ltd.

Banque Nationale de Paris Caisse des Dépôts et Consignations Crédit Lyonnais

Credit Suisse White Weld Limited Dresdner Bank Aktiengesellschaft

The First Boston Corporation Morgan Stanley International, Société Générale

These Notes have all been sold, and this announcement appears as a matter of record only.



## Banco de la Nación Argentina

U.S. \$30,000,000

Floating Rate Notes 1983

European Banking Company Limited

Bank of America International Limited Banque Nationale de Paris

Baring Brothers &amp; Co., Limited Dresdner Bank Aktiengesellschaft

First Boston (Europe) Limited Manufacturers Hanover Limited

Merrill Lynch International &amp; Co.

Alahli Bank of Kuwait (K.S.C.)

Algemene Bank Nederland N.V. AmEx Bank Amsterdam-Rotterdam Bank N.V.

Arab African International Bank Arab Bank Overseas Ltd. Banca Commerciale Italiana Banca del Gottardo

Bank Julius Baer International Limited

Bank Gutwiler, Kürz, Büngener (Overseas) Bank of Helsinki Ltd.

Bank Leu International Bank Mees &amp; Hope NV

Banque Bruxelles Lambert S.A. Banque Continentale du Luxembourg

Banque Française du Commerce Extérieur

Banque Générale du Luxembourg S.A. Banque de l'Indochine et de Suez

Banque de Neuflize, Schlumberger, Mallet

Banque Privée S.A. Banque de la Société Financière Européenne

Banque Worms Barclays Bank International

Bayerische Landesbank, Girozentrale Bayrische Vereinsbank Berliner Bank Berliner Handels- und Frankfurter Bank

Blyth Eastman Dillon &amp; Co. International Limited

Cazenove &amp; Co. Chase Manhattan Chemical Bank International

Clipco International Group Commerzbank Compagnie Monégasque de Banque

Continental Illinois County Bank Crédit Commercial de France Crédit Lyonnais Crédit du Nord Creditanstalt-Bankverein

Credito Italiano Deutsche Girozentrale The Development Bank of Singapore

Daiwa Europe N.V. Richard Oss &amp; Co. Ocean Witter Reynolds International

Deutsche Girozentrale The Development Bank of Singapore

OG BANK Deutsche Girozentrale Richard Oss &amp; Co. Gillon Read Overseas Corporation

Euro-Latinamericana Bank Limited First Bavarian Capital Corporation Robert Fleming &amp; Co.

Fujit International Finance Genossenschaftliche Zentralbank AG Antoni Gibbs Holdings Ltd.

Girozentrale und Bank der Österreichischen Sparkassen

Goldman Sachs International Corp. Greenshields Incorporated The Gulf Bank K.S.C.

Handelsbank N.W. Overseas Ltd. Hessische Landesbank - Girozentrale -

Hill Samuel &amp; Co. IBI International Internex International Bank Limited Internationale Genossenschaftsbank AG Kansallis-Osake-Pankki

Kleinwort, Benson Kreditbank N.V. Kreditbank S.A. Luxembourgeoise Kuhn Loeb Lehman Brothers International

Kuwait Foreign Trading Contracting &amp; Investment Co. ISAK.I

Kuwait International Finance Co. S.A.K. "KIFCO"

Lloyds Bank International B. Metzler se. Sohn &amp; Co. Samuel Montagu &amp; Co.

Morgan Guaranty and Partners Morgan Stanley International

The National Bank of Kuwait S.A.K. The National Commercial Bank Hederlandsche Middelandsbank N.V.

Horizon Europe H.V.

Horddeutsche Landesbank Girozentrale Nordniederrh.-Bank Zürich

Hordic Bank Sal. Oppenheim Jr. &amp; Cie. Orion Bank

Österreichische Landerbank Pierson, Hefring &amp; Person N.V. Postsparkassi Renou &amp; Co. Rothschild Bank AG

H. M. Rothschild &amp; Sons

Salomon Brothers International Scandinavian Bank Limited I. Henry Schroder Warg &amp; Co.

Skandinaviska Enskilda Banken Smith Barney, Harris Upham &amp; Co.

Société Bancaire Barclays Suisse S.A. Société Centrale de Banque Société Générale Alsaciennes de Banque Société Générale de Banques S.A.

Strauss, Turnbull &amp; Co. Sumitomo Finance International Svenska Handelsbanken Trade Development Bank, London Branch Uebensebank AG

Union Bank of Finland Limited Union de Banques Arabes et Européennes - U.B.A.E. Union de Banques Arabes et Françaises-U.B.A.F. United Overseas Bank

Verenigd- en Westbank I. Vonlobel &amp; Co. S. G. Warburg &amp; Co. Ltd. Wardley Westdeutsche Landesbank Girozentrale Williams, Glyn &amp; Co.

Woud Gundv. I. Vonlobel &amp; Co. W. Wardley Westdeutsche Landesbank Girozentrale Williams, Glyn &amp; Co.

Yamashita International Nederland H.V.

Bonds	Last Price	Bonds	Last Price	Bonds	Last Price	Bonds	Last Price	Bonds	Last Price	Bonds	Last Price	Bonds	Last Price	Bonds	Last Price	Bonds	Last Price	Bonds	Last Price
ASU 5.35% 73	74	ATB 2.45% 72	92	Bos 4.95% 75	102	Cleve 3.62% 75	81	ComPw 3.60% 80	101 1/2	Duol 3.60% 80	93 1/2	Gombi 3.94% 84	96 1/2	Marr 3.60% 83	75	PGE 8.10% 80	91	SACG 6.74% 82	92 1/2
ATB 2.45% 73	92	Bos 4.95% 76	102 1/2	Bos 4.95% 76	84	Cleve 3.62% 76	99	ComPw 3.60% 81	105 1/2	Duol 3.60% 81	95 1/2	Gombi 3.94% 85	98 1/2	Marr 3.60% 84	76	PGE 8.10% 81	92	SNCF 6.74% 83	93 1/2
ATB 2.45% 74	92	Bos 4.95% 77	102	Bos 4.95% 77	85	Cleve 3.62% 77	99	ComPw 3.60% 82	105 1/2	Duol 3.60% 82	95 1/2	Gombi 3.94% 86	98 1/2	Marr 3.60% 85	76	PGE 8.10% 82	92	SPDC 6.74% 84	93 1/2
ATB 2.45% 75	92	Bos 4.95% 78	102	Bos 4.95% 78	85	Cleve 3.62% 78	99	ComPw 3.60% 83	105 1/2	Duol 3.60% 83	95 1/2	Gombi 3.94% 87	98 1/2	Marr 3.60% 86	76	PGE 8.10% 83	92	SWBT 2.64% 85	93 1/2
ATB 2.45% 76	92	Bos 4.95% 79	102	Bos 4.95% 79	85	Cleve 3.62% 79	99	ComPw 3.60% 84	105 1/2	Duol 3.60% 84	95 1/2	Gombi 3.94% 88	98 1/2	Marr 3.60% 87	76	PGE 8.10% 84	92	TNT 2.64% 86	93 1/2
ATB 2.45% 77	92	Bos 4.95% 80	102	Bos 4.95% 80	85	Cleve 3.62% 80	99	ComPw 3.60% 85	105 1/2	Duol 3.60% 85	95 1/2	Gombi 3.94% 89	98 1/2	Marr 3.60% 88	76	PGE 8.10% 85	92	TNT 2.64% 87	93 1/2
ATB 2.45% 78	92	Bos 4.95% 81	102	Bos 4.95% 81	85	Cleve 3.62% 81	99	ComPw 3.60% 86	105 1/2	Duol 3.60% 86	95 1/2	Gombi 3.94% 90	98 1/2	Marr 3.60% 89	76	PGE 8.10% 86	92	TNT 2.64% 88	93 1/2
ATB 2.45% 79	92	Bos 4.95% 82	102	Bos 4.95% 82	85	Cleve 3.62% 82	99	ComPw 3.60% 87	105 1/2	Duol 3.60% 87	95 1/2	Gombi 3.94% 91	98 1/2	Marr 3.60% 90	76	PGE 8.10% 87	92	TNT 2.64% 89	93 1/2
ATB 2.45% 80	92	Bos 4.95% 83	102	Bos 4.95% 83	85	Cleve 3.62% 83	99	ComPw 3.60% 88	105 1/2	Duol 3.60% 88	95 1/2	Gombi 3.94% 92	98 1/2	Marr 3.60% 91	76	PGE 8.10% 88	92	TNT 2.64% 90	93 1/2
ATB 2.45% 81	92	Bos 4.95% 84	102	Bos 4.95% 84	85	Cleve 3.62% 84	99	ComPw 3.60% 89	105 1/2	Duol 3.60% 89	95 1/2	Gombi 3.94% 93	98 1/2	Marr 3.60% 92	76	PGE 8.10% 89	92	TNT 2.64% 91	93 1/2
ATB 2.45% 82	92	Bos 4.95% 85	102	Bos 4.95% 85	85	Cleve 3.62% 85	99	ComPw 3.60% 90	105 1/2	Duol 3.60% 90	95 1/2	Gombi 3.94% 94	98 1/2	Marr 3.60% 93	76	PGE 8.10% 90	92	TNT 2.64% 92	93 1/2
ATB 2.45% 83	92	Bos 4.95% 86	102	Bos 4.95% 86	85	Cleve 3.62% 86	99	ComPw 3.60% 91	105 1/2	Duol 3.60% 91	95 1/2	Gombi 3.94% 95	98 1/2	Marr 3.60% 94	76	PGE			



## Euromarket

(Continued from Page 7)  
percent. The paper ended the week at 985-99. The previous issue for Boots, carrying a coupon of 6% percent, was quoted at 974-974.

Meanwhile, a number of bankers report very heavy buying by Japanese banks of foreign issues floated in the New York market. The explanation being offered is that they can buy dollars at very cheap rates vis-a-vis the yen — anticipating a recovery for the dollar once the impact of the government's promised economic stimulation is felt. This, in turn, has given rise to reports that Japan will authorize foreign borrowers to float dollar-denominated issues in Japan. The European Investment Bank will reportedly be the first issuer, in September.

The Germans are also going through an agonizing reappraisal of what the government's expansion program and commitments to a new European monetary system will mean for domestic inflation and the value of the mark. Bond prices continued to fall last week as investors pulled out in anticipation of heavy public financing pushing interest rates higher. Some bankers believe these fears have been grossly exaggerated, but the Bundesbank was obliged to step up its support operations buying an estimated 1 billion DM of domestic issues last week compared to some 800 million DM a week earlier.

A relatively heavy new-issue calendar — 515 million DM (IHT July 19) — has not helped the market for DM denominated Eurobonds and prices in the secondary market were off sharply. Due to the Bundesbank's opposition to seeing the rate structure move up, the World Bank (not included in the official queue) came to market with terms widely regarded as unrealistic — a view reinforced by the issue price of 98 on its 200 million DM of 10-year bonds carrying a coupon of 6 percent. This pushed the yield to 6% percent and adding in the selling group reallowance of 3% percent the yield totaled 6.3 percent. By contrast, yields in the domestic market for 10-year paper are currently 6.8 percent. A companion World Bank issue of 200 million DM of six-year notes carry a coupon of 5.5 percent and an issue price of 99.4%.

The market did not accept these terms and trading on a when-issued basis were quoted off 2 for the 10-year paper and off 1 1/4 for the shorts. To deal with this, lead manager Deutsche Bank has informed banks that all the bonds will be issued with control numbers — a device not used in the Euromarket since 1959 — enabling Deutsche Bank to identify which underwriters are dumping bonds in the secondary market. Implicit in this is a threat that the dumpers will be eliminated from future DM issues for the World Bank. In addition, Deutsche Bank has informed underwriters that if in its support operations it is obliged to buy back

bonds at less than the offering price it will ask the bank who sold those bonds to return the selling concession. This numbered system will operate for at least three months following the Aug. 3 payment date for the issue.

As a result, the when-issued price improved to a respectable 3 1/2 below issue price. At the same time, the Austrian Kontrollbank adjusted the terms on its 75 million DM private placement to conform to the World Bank issue by cutting the maturity one year to six years. Issue price was 99.2%.

The 100-million-DM, 12-year, 6-percent bonds for Norges Kommunalebank will be priced tomorrow. Managers refused to reveal what the pricing is likely to be saying only that the book is very good.

Chase Manhattan will be the next issue raising 100 million DM. In the convertible sector, Kora-kuen Stadium, which runs an amusement center in Tokyo and is planning to diversify into retail operations, is floating 40 million DM of 8 1/2 year bonds. The coupon is expected to be 3 1/2 percent and the conversion premium will be about 10 percent.

## Some Hotels Agree to Cut Phone Call Surcharges

PARIS, July 23 (IHT) — Telephone bills — renowned for drawing gags from the guests at many of Europe's best check-in desks — are shrinking at some major hotels as the result of an agreement between the American Telephone & Telegraph Co. and the hoteliers. Hilton International Hotels and Britain's Trust House Forte chain have joined Irish, Israeli and Portuguese hoteliers in "Teleplan," an AT&T-led self-regulation of hotel billing on transatlantic calls. Negotiations are underway to include Inter-Continental Hotels in the plan, according to AT&T Long Lines Director Ed Carr.

European hotels have long tacked huge placement and service charges — averaging 100 to 300 percent of the actual cost — onto their guests' bills to the United States, Mr. Carr said. Neither the foreign country's telephone company nor Ma Bell shares the profit in the surcharge, he said, but both bear the pinched customers' complaints.

**Bil Doubled**

A Detroit newspaperwoman found that her \$472 phone bill from a Rotterdam hotel was nearly double the actual cost of her calls, Mr. Carr recalled. A traveler to Paris claimed that his bill was fattened 300 percent by a Left Bank hotel.

But the worst gripe to reach Mr. Carr's office came in 1974, he said, when a Rome hotel tacked a \$100 surcharge on calls made by a top AT&T executive.

Teleplan was initiated two years later in Ireland.

In return for AT&T's \$350,000 advertising and public relations campaign announcing Teleplan at their hotels, Irish hoteliers agreed to limit their surcharges to 25 percent, or a maximum of \$10 on the cost of an Ireland-U.S. call. Similar

agreements followed between AT&T and hoteliers in Portugal and Israel.

AT&T's agreements with Trust Houses Forte and with Hilton International Hotels cover every hotel in the company's chain. The British hoteliers promised a maximum \$6.70 surcharge for a typical 10-minute transatlantic call. Hilton International Hotels agreed to a 100-percent surcharge on the cost of the call, but with a maximum \$4 surcharge on any call dialed directly from the guest's room. AT&T again finances worldwide publicity, and pays for phone-side hotel-room information on the Hilton or Trust House Forte's new billing rates.

Further agreements with major hotel chains, Mr. Carr hopes will force competing hotels and hotel chains to reduce their extra charges on overseas calls. An AT&T study on European-U.S. telephoning showed that for 5 million American travelers who might fear inflated hotel phone bills, an estimated \$16 million worth of calls home is lost, he said.

### Consolidated Trading

#### Of NYSE Listings

Week Ended July 21, 1978

Sales High Low Last Chg.

Rowan 2,682,200 274 270 274 +4

Poco Am. 1,882,900 274 270 274 -4

Stierl Drive 1,580,200 274 270 274 +4

Am Arbitr 1,697,700 274 270 274 +4

Parolek 1,392,200 274 270 274 +4

Taco Inc 1,214,200 274 270 274 +4

East Kodak 1,126,100 274 270 274 +4

Sears Reeb 1,120,200 274 270 274 +4

After Corp 1,082,200 274 270 274 +4

Boeing 1,072,200 274 270 274 +4

Boeing 1,061,200 274 270 274 +4

Occidental Pet 987,200 274 270 274 +4

Review 949,500 274 270 274 +4

Cont Dent 884,200 274 270 274 +4

Entex 779,200 274 270 274 +4

AmT 772,200 274 270 274 +4

Pestco 773,200 274 270 274 +4

Issues Traded Int'l 2,115

Advances: 1,001 : declines: 74 : unchanged: 295

New Highs: 188 : new lows: 43

Volume 3,246,372,307 shares

12,201,259 shares

12,075,170 shares

12,055,250 shares

12,034,250 shares

12,014,250 shares

12,004,250 shares

**Margin Almost 4 Minutes****Hinault Wins Tour de France**

By Samuel Abt

RIS, July 23 (IHT) — Coast the last few yards across the finish line, Bernard Hinault beat here today by almost minutes out of more than 108 race.

All the other riders went over the on the Champs-Elysees with heads down over the handle-pumping hard for that final deth of a second advantage, there were no tomorrow, and after more than three weeks competition there isn't. The cool sun rode accordingly. He finished 15th today, but since Friday, was the certain winner of race, barring calamity.

## Fared a Spill

I knew I had to be careful," he said after his victory in his first race here today. But everything went out fine.

second overall, 3 minutes and seconds back, was Joop Zoetel of the Netherlands, who has never been the leader in eight Tours de France. Zoetel, who has never been leading until Hinault defeated him in a time trial Friday.

Third, overall, was Joaquim Sastre of Portugal, 6:54 behind Hinault, fourth was Joseph Bruxelles, 9:04 behind, and fifth Christian Seznec of France, 10 behind. Seventy-eight racers shed out of 110 who started 30 in the Netherlands.

he victory by the 23-year-old Hinault was extremely popular in and hundreds of thousands spectators lined the 100-mile route today from the suburb of St. main-en-Laye.

the race moved through the small towns where it is the excitement for the month and cyclists pass close enough to receive an illegal push a hill or to have a bottle of water thrown over them as relief from heat.

## Aloof, Reserved

Hinault rarely smiles broadly. The words most often used to describe him are proud, stubborn, willful and solitary. Racers also say of him that he has character.

Raymond Poulidor, 14 times an entry in the Tour de France but never a winner, tells this anecdote about Hinault: "One understood immediately that he had character and that neither Merckx nor Poulidor impressed him. He was afraid of nothing. One day, in the Midi Libre race, I believe, we had to start the stage by going up a mountain. The evening before Hinault had been hopelessly outdistanced and was effectively out of the race."

"But the next morning, he started out at full speed and stayed at the head of the race for 15 miles, going all out. Behind him we had our hands full to keep up. And then, having done it and showed us he quit the race, I realized then that we were going to have further dealings with him, that he was not an ordinary racer."

Barry Hoban, another veteran of the race, said of Hinault: "He's got character, that's for sure. He's a superstar and that's good for the sport."

Hinault offered a description of himself in a weekend interview in a French newspaper that asked him how he compared himself to such cycling stars as Eddy Merckx. "I am Hinault," he said. "I'm a stubborn and aggressive Breton, who is not afraid of anybody but who doesn't resemble anybody . . . I race with my means, in my style and with my ambition. Like all my adversaries, I have a head and two legs. I have no complexes. Success, that's the sole solution."

## 4 Years as Pro

He has known much success in his career, which started in 1971 when he became an amateur racer. He turned professional in 1975 with the Gitane team and began

such spontaneous demonstrations are rare in Paris, where spectators stood behind barriers, waiting hours under a hot sun for the race to arrive and pass the final four miles between the Tuileries Gardens and the Arc de Triomphe.

Six times the racers went up and down the broad Champs-Elysees as many in the crowd bought perspectives to watch the action over the heads in front of them.

Finally, Gerry Knetemann of the Netherlands surged first across the finish, followed closely by three other racers, to win today's stage.

A minute and a half later, the pack arrived, 74 riders clocked in the same time, since time no longer mattered. Despite the best efforts of battalions of policemen, some spectators broke through the barriers and engulfed the racers.

Led to the podium, Hinault

kissed his mother, shook hands with his father, kissed his wife, was kissed officially by numerous cycling officials and finally pulled on the overall leader's yellow jersey on top of the one he has worn since Friday:

Then Maurice Couve de Murville, a former French prime minister and now a member of the National Assembly, presented Hinault with a Sevres vase. The rider held it high over his head, an engaging but not quite a broad — smile on his face.

## Aloof, Reserved

Hinault rarely smiles broadly. The words most often used to describe him are proud, stubborn, willful and solitary. Racers also say of him that he has character.

Raymond Poulidor, 14 times an entry in the Tour de France but never a winner, tells this anecdote about Hinault: "One understood immediately that he had character and that neither Merckx nor Poulidor impressed him. He was afraid of nothing. One day, in the Midi Libre race, I believe, we had to start the stage by going up a mountain. The evening before Hinault had been hopelessly outdistanced and was effectively out of the race."

"But the next morning, he started out at full speed and stayed at the head of the race for 15 miles, going all out. Behind him we had our hands full to keep up. And then, having done it and showed us he quit the race, I realized then that we were going to have further dealings with him, that he was not an ordinary racer."

Barry Hoban, another veteran of the race, said of Hinault: "He's got character, that's for sure. He's a superstar and that's good for the sport."

Hinault offered a description of himself in a weekend interview in a French newspaper that asked him how he compared himself to such cycling stars as Eddy Merckx. "I am Hinault," he said. "I'm a stubborn and aggressive Breton, who is not afraid of anybody but who doesn't resemble anybody . . . I race with my means, in my style and with my ambition. Like all my adversaries, I have a head and two legs. I have no complexes. Success, that's the sole solution."

## 4 Years as Pro

He has known much success in his career, which started in 1971 when he became an amateur racer.

He turned professional in 1975 with the Gitane team and began

winning French regional races, reaching an important peak in 1976 when he finished sixth in the world championships and became known as a man to watch.

Last year, he won some bigger European races, including two classics in Belgium, but was held out of the Tour de France because he was considered not yet ready, at age 22, for his debut. This year, he said he had three goals, to win the Tour of Spain, the French national championships and then the Tour de France. He has won all three.

In the pack arrived, 74 riders clocked in the same time, since time no longer mattered. Despite the best efforts of battalions of policemen, some spectators broke through the barriers and engulfed the racers.

Led to the podium, Hinault

kissed his mother, shook hands with his father, kissed his wife, was kissed officially by numerous cycling officials and finally pulled on the overall leader's yellow jersey on top of the one he has worn since Friday:

Then Maurice Couve de Murville, a former French prime minister and now a member of the National Assembly, presented Hinault with a Sevres vase. The rider held it high over his head, an engaging but not quite a broad — smile on his face.

## Aloof, Reserved

Hinault rarely smiles broadly. The words most often used to describe him are proud, stubborn, willful and solitary. Racers also say of him that he has character.

Raymond Poulidor, 14 times an entry in the Tour de France but never a winner, tells this anecdote about Hinault: "One understood immediately that he had character and that neither Merckx nor Poulidor impressed him. He was afraid of nothing. One day, in the Midi Libre race, I believe, we had to start the stage by going up a mountain. The evening before Hinault had been hopelessly outdistanced and was effectively out of the race."

"But the next morning, he started out at full speed and stayed at the head of the race for 15 miles, going all out. Behind him we had our hands full to keep up. And then, having done it and showed us he quit the race, I realized then that we were going to have further dealings with him, that he was not an ordinary racer."

Barry Hoban, another veteran of the race, said of Hinault: "He's got character, that's for sure. He's a superstar and that's good for the sport."

Hinault offered a description of himself in a weekend interview in a French newspaper that asked him how he compared himself to such cycling stars as Eddy Merckx. "I am Hinault," he said. "I'm a stubborn and aggressive Breton, who is not afraid of anybody but who doesn't resemble anybody . . . I race with my means, in my style and with my ambition. Like all my adversaries, I have a head and two legs. I have no complexes. Success, that's the sole solution."

## 4 Years as Pro

He has known much success in his career, which started in 1971 when he became an amateur racer.

He turned professional in 1975 with the Gitane team and began

winning French regional races, reaching an important peak in 1976 when he finished sixth in the world championships and became known as a man to watch.

Last year, he won some bigger European races, including two classics in Belgium, but was held out of the Tour de France because he was considered not yet ready, at age 22, for his debut. This year, he said he had three goals, to win the Tour of Spain, the French national championships and then the Tour de France. He has won all three.

In the pack arrived, 74 riders clocked in the same time, since time no longer mattered. Despite the best efforts of battalions of policemen, some spectators broke through the barriers and engulfed the racers.

Led to the podium, Hinault

kissed his mother, shook hands with his father, kissed his wife, was kissed officially by numerous cycling officials and finally pulled on the overall leader's yellow jersey on top of the one he has worn since Friday:

Then Maurice Couve de Murville, a former French prime minister and now a member of the National Assembly, presented Hinault with a Sevres vase. The rider held it high over his head, an engaging but not quite a broad — smile on his face.

## Aloof, Reserved

Hinault rarely smiles broadly. The words most often used to describe him are proud, stubborn,

willful and solitary. Racers also say of him that he has character.

Raymond Poulidor, 14 times an entry in the Tour de France but never a winner, tells this anecdote about Hinault: "One understood immediately that he had character and that neither Merckx nor Poulidor impressed him. He was afraid of nothing. One day, in the Midi Libre race, I believe, we had to start the stage by going up a mountain. The evening before Hinault had been hopelessly outdistanced and was effectively out of the race."

"But the next morning, he started out at full speed and stayed at the head of the race for 15 miles, going all out. Behind him we had our hands full to keep up. And then, having done it and showed us he quit the race, I realized then that we were going to have further dealings with him, that he was not an ordinary racer."

Barry Hoban, another veteran of the race, said of Hinault: "He's got character, that's for sure. He's a superstar and that's good for the sport."

Hinault offered a description of himself in a weekend interview in a French newspaper that asked him how he compared himself to such cycling stars as Eddy Merckx. "I am Hinault," he said. "I'm a stubborn and aggressive Breton, who is not afraid of anybody but who doesn't resemble anybody . . . I race with my means, in my style and with my ambition. Like all my adversaries, I have a head and two legs. I have no complexes. Success, that's the sole solution."

## 4 Years as Pro

He has known much success in his career, which started in 1971 when he became an amateur racer.

He turned professional in 1975 with the Gitane team and began

winning French regional races, reaching an important peak in 1976 when he finished sixth in the world championships and became known as a man to watch.

Last year, he won some bigger European races, including two classics in Belgium, but was held out of the Tour de France because he was considered not yet ready, at age 22, for his debut. This year, he said he had three goals, to win the Tour of Spain, the French national championships and then the Tour de France. He has won all three.

In the pack arrived, 74 riders clocked in the same time, since time no longer mattered. Despite the best efforts of battalions of policemen, some spectators broke through the barriers and engulfed the racers.

Led to the podium, Hinault

kissed his mother, shook hands with his father, kissed his wife, was kissed officially by numerous cycling officials and finally pulled on the overall leader's yellow jersey on top of the one he has worn since Friday:

Then Maurice Couve de Murville, a former French prime minister and now a member of the National Assembly, presented Hinault with a Sevres vase. The rider held it high over his head, an engaging but not quite a broad — smile on his face.

## Aloof, Reserved

Hinault rarely smiles broadly. The words most often used to describe him are proud, stubborn,

willful and solitary. Racers also say of him that he has character.

Raymond Poulidor, 14 times an entry in the Tour de France but never a winner, tells this anecdote about Hinault: "One understood immediately that he had character and that neither Merckx nor Poulidor impressed him. He was afraid of nothing. One day, in the Midi Libre race, I believe, we had to start the stage by going up a mountain. The evening before Hinault had been hopelessly outdistanced and was effectively out of the race."

"But the next morning, he started out at full speed and stayed at the head of the race for 15 miles, going all out. Behind him we had our hands full to keep up. And then, having done it and showed us he quit the race, I realized then that we were going to have further dealings with him, that he was not an ordinary racer."

Barry Hoban, another veteran of the race, said of Hinault: "He's got character, that's for sure. He's a superstar and that's good for the sport."

Hinault offered a description of himself in a weekend interview in a French newspaper that asked him how he compared himself to such cycling stars as Eddy Merckx. "I am Hinault," he said. "I'm a stubborn and aggressive Breton, who is not afraid of anybody but who doesn't resemble anybody . . . I race with my means, in my style and with my ambition. Like all my adversaries, I have a head and two legs. I have no complexes. Success, that's the sole solution."

## 4 Years as Pro

He has known much success in his career, which started in 1971 when he became an amateur racer.

He turned professional in 1975 with the Gitane team and began

winning French regional races, reaching an important peak in 1976 when he finished sixth in the world championships and became known as a man to watch.

Last year, he won some bigger European races, including two classics in Belgium, but was held out of the Tour de France because he was considered not yet ready, at age 22, for his debut. This year, he said he had three goals, to win the Tour of Spain, the French national championships and then the Tour de France. He has won all three.

In the pack arrived, 74 riders clocked in the same time, since time no longer mattered. Despite the best efforts of battalions of policemen, some spectators broke through the barriers and engulfed the racers.

Led to the podium, Hinault

kissed his mother, shook hands with his father, kissed his wife, was kissed officially by numerous cycling officials and finally pulled on the overall leader's yellow jersey on top of the one he has worn since Friday:

Then Maurice Couve de Murville, a former French prime minister and now a member of the National Assembly, presented Hinault with a Sevres vase. The rider held it high over his head, an engaging but not quite a broad — smile on his face.

## Aloof, Reserved

Hinault rarely smiles broadly. The words most often used to describe him are proud, stubborn,

willful and solitary. Racers also say of him that he has character.

Raymond Poulidor, 14 times an entry in the Tour de France but never a winner, tells this anecdote about Hinault: "One understood immediately that he had character and that neither Merckx nor Poulidor impressed him. He was afraid of nothing. One day, in the Midi Libre race, I believe, we had to start the stage by going up a mountain. The evening before Hinault had been hopelessly outdistanced and was effectively out of the race."

"But the next morning, he started out at full speed and stayed at the head of the race for 15 miles, going all out. Behind him we had our hands full to keep up. And then, having done it and showed us he quit the race, I realized then that we were going to have further dealings with him, that he was not an ordinary racer."

Barry Hoban, another veteran of the race, said of Hinault: "He's got character, that's for sure. He's a superstar and that's good for the sport."

Hinault offered a description of himself in a weekend interview in a French newspaper that asked him how he compared himself to such cycling stars as Eddy Merckx. "I am Hinault," he said. "I'm a stubborn and aggressive Breton, who is not afraid of anybody but who doesn't resemble anybody . . . I race with my means, in my style and with my ambition. Like all my adversaries, I have a head and two legs. I have no complexes. Success, that's the sole solution."

## 4 Years as Pro

He has known much success in his career, which started in 1971 when he became an amateur racer.

He turned professional in 1975 with the Gitane team and began

winning French regional races, reaching an important peak in 1976 when he finished sixth in the world championships and became known as a man to watch.

Last year, he won some bigger European races, including two classics in Belgium, but was held out of the Tour de France because he was considered not yet ready, at age 22, for his debut. This year, he said he had three goals, to win the Tour of Spain, the French national championships and then the Tour de France. He has won all three.

In the pack arrived, 74 riders clocked in the same time, since time no longer mattered. Despite the best efforts of battalions of policemen, some spectators broke through the barriers and engulfed the racers.

Led to the podium, Hinault

kissed his mother, shook hands with his father, kissed his wife, was kissed officially by numerous cycling officials and finally pulled on the overall leader's yellow jersey on top of the one he has worn since Friday:

Then Maurice Couve de Mur

**Observer****No Summit for Elvis**

By Russell Baker

**NEW YORK** — In his declining years Elvis Presley began worrying about what the Beatles and the Rolling Stones were doing to America. He asked for a conference with J. Edgar Hoover.

Hoover was cagey in replying. He, too, was worried about what the Beatles and Rolling Stones were doing to America. In fact, he was worried about what everybody was doing to America. He was worried about what Elvis Presley was doing to America. That was why Presley held such a prominent position on the FBI's "Most Wanted Pelvis" list.

Although his enemies now belittle him, Hoover was nobody's fool. The fact that Presley had a pelvis did not alarm him. Hoover himself had a pelvis, although he always referred to it as "hips." No threat to national security occurred, he realized, unless the pelvis was rotated.

This motion, as we all know, leads to amplified wailing, electrified music, premature deafness and swooning women and children, all of which makes it difficult for a nation to keep its eye on the ball.

\* \* \*

Not surprisingly then, Hoover was startled when his ambassador reported that Presley wanted to meet at the summit.

"Is this the same Presley they call 'Elvis the Hips?'" he asked.

The ambassador assured him it was. Presley was, he said, was proposing an alliance. He was alarmed about what the Beatles and the Rolling Stones were doing to America. He wanted to help the FBI in its struggle against the British music industry. In return he wanted to meet the Director face to face.

At this point, the documents reveal, the Director took a surprising tack. He inquired about Presley's wardrobe.

"His hips," said the ambassador, "contain virtually no restraining girding whatever. If he were to get into your presence, it would take him only a split second to set them into full rotation if he is so minded."

The Director scoffed at the ambassador's suggestion that he feared hip rotation or that he

**Gems Stolen in N.Y.**

**NEW YORK**, July 23 (AP) — Gems worth \$143,794 were stolen yesterday from a private exhibit at the Hilton Hotel, police said. A man and woman viewing a stone at an exhibit of a Los Angeles jeweler's firm picked up a box containing the jewelry from a counter when a salesman was not looking, police said.

**ANNOUNCEMENTS**

**TECHNICAL TRANSLATOR**, bilingual English/French, professional, top-notch, well-traveled, available for manuscript, bookends, drawings, etc. Write Box 8011, Herald Tribune, Paris. Tel. 551-38-90/72-75-00.

**PAGES UNIVERSEL** Read "The Guide to Sexy Paris." On sale now.

**AUTOMOBILES**

**1978 CADILLAC SEVILLE "Elegance," fully equipped, new, registered. Driven 100 miles. \$10,000. Can be inspected in Frankfurt. Asking \$16,000 or equivalent in DM. Tel. Germany 01-105-00-00.**

**1979 AMERICAN CARS** Importers. Export prices. Free information and quotations. Cars, Box 1972, Poole, U.K. Tel. 01-820-40-40.

**MERCEDES 300 S DIESEL** delivery complete. 71. New motor, sleeps 4 over 40 extras. Frs. 30,000. Paris 327-05-40.

**AUTO SHIPPING**

**TRANSAIR (U.K.)** Ltd., 43-44 New Bond St., London, W.1. Tel.: 01-491-4121. We offer a fast, reliable, low-cost TRANSAIR group of companies. Europe's leading car shipping specialists. We offer comprehensive service and low prices. Write or call now for brochure and quotation.

**TRANSAIR 20** Levallois, 75116 Paris, Tel. 503-03-00. Boxes 39-44.

**CLEVERWELL CAR EXPORTS LTD.** Weekly sailing to the U.S.A. or economic rates. 29 G. Sutton St., London EC1. Tel.: 01-251-4979.

**FOR A CERTAIN FEW BUSINESSMEN****THIS PRODUCT COULD MAKE ANOTHER FORTUNE**

Exclusive manufacturing and marketing rights now available in countries outside the U.S. to qualified principals or contacts

The product is our exclusive Voice Stress Analyzer, Mark IX-P, the revolutionary advance in wireless lie detection that has had such major impact on the U.S. market for business and government security equipment.

A high-profit, volume-safe product, the Mark IX-P detects and analyzes psychological stress in the human voice to provide an accurate measure of deceptive or false statements... instantaneously.

We now wish to enter overseas market. Full turn-key operation provided if needed. A sample Mark IX-P will be personally delivered and demonstrated by one of our engineers anywhere in the world upon deposit of \$8000. Call James Nolan in New York (212) 682-4537

**COMMUNICATION CONTROL SYSTEMS**  
Systems World Hdqrs./605 Third Avenue  
New York, N.Y. 10016/Telx 426777  
London 13 Wilton Mews/Belgravia SW1/London/01-235-9112

For more information, contact Mr. Jerome Rudy, P.O. Box 1391, Midland, Michigan 48680 USA. Tel: (317) 635-6841.

**EDUCATION**

FRENCH PROFESSOR - DICTION Spoken Pers. 554-82-57.

**AMERICA CALLING****AUTOS TAX FREE****U.S. AUTOMOBILES****BUSINESS OPPORTUNITIES****COMPUTER PORTRAITS****T-SHIRT FOTOS****FOR IMMEDIATE DELIVERY****TAX-FREE USED****BOOKS & MAGAZINES****CONTRACTS & TRAVEL****CAPRIOS CONVERTIBLE 1975****and other makes****KODAK****CONTRASTERS****36-CH-1027 ZURICH,****Switzerland****TELECO INFL. PARTS****VIP Escort Service****Tel. 222 60 53.****ONE OF THE WORLD'S 3 LARGEST****funding sources with funds available****directly from prime bonds, will lend****governments, other banks and prime****rated corporations. Bank to bank deals****and capital inquiries to telx 0424 0716.****BMW CONCESSIONNAIRES****G.B.****LTD.****The UK importers can offer you****the best from the BMW range in****BMW in EHD, IHD, U.S. and Australia****specifications. Also a few 77s at****specialty reduced prices. Call us today****WY 304A. Tel. 01-229 2277. Telex:****21360.****DRIVING TESTS****SPECIFICATION CITY, SUBSTANTIAL****discount plus free shipping Newark****or LA. DOLLAR SALES, Inc. Veneto****169 Roma, Tel. 06-40-40.****WILLIAMS****FLAMELESS FLAME****etc. Newark and used. EAT. 216 P.R. Honore, Paris 724-95-53.****BUY DIAMONDS****At first stages prices from the leading****diamond firm at the diamond center****of the world. Quality diamonds guaranteed****by certificate. Contact us for full****information or visit us.****INTERNATIONAL SALES****SO-21 Hofwijkstraat,****2000 Antwerp (Belgium).****Tel: 323-93 INDIA B.****DIAMONDS****Fine diamonds in any price****range of least wholesale****prices from Antwerp.****Full guarantee.****For more info write:****Journalist G. Gobert.****Established 1928.****62 Pellevoiststraat,****2000 Antwerp, Belgium.****Tel: 31-33-26-60.****DOMESTIC SITUATIONS WANTED****73 YEAR OLD IRISH TRAINED NANNIE****worked in France for 12 years****as maid, housekeeper, cook, nanny****seeks part-time job.****English Staff Agency, 4 Market Place,****Leicester, U.K. Tel: 01-251-8621.****HELP WANTED: DOMESTIC****NEEDED FOR AVE. POCH, mohre,****experience in domestic work, for****domestic maid.****James Stewart, 37 Grand****Parade, Brighton, U.K. Tel: 02-81-8621.****EDUCATION****FRANCHE PROFESSOR - DICTION Spe-****ciale Pers. 554-82-57.****Third Annual Vogue Word Watch**

By William Safire

thought Presley would try it once the conference began.

"Still, just to be on the safe side," said the ambassador, "we can make him check his pelvis when he comes into the building."

"His hips," said the Director. He pointed out that Presley's purpose was unlikely to be aggressive, since this would put him in bad odor with his millions of fans. More likely, to be observed, Presley aimed to get an unorthodox set of clothes into the FBI building.

Once America learned that the Director of the FBI had established diplomatic relations with unorthodox clothes, all restraint on wardrobe stylings would collapse. Men everywhere would think it acceptable to abandon two-piece suits, thus paving the route to national downshift.

From abandoning the two-piece suit, it was a short step to letting the hair grow over the ears. Hoover had always grasped the natural length between caustic asture and Marxism and recognized it as one of the gravest dangers facing the Republic. Of late, even FBI agents had been growing sideburns.

Agents undertook surveillance of Presley's wardrobe. They reported that his mode of dress was "exotic." This referred, no doubt, to his passion for capes and sequins, for the formal reply to his request stated that no man wearing sequins and a cape had ever been allowed into the FBI building, except in handcuffs.

This did not settle the matter, however. Presley came back with a counterproposal. He would wear fringed buckskins and cowboy boots. Hoover's ambassador did not even refer this to the Director, after waiting several days and receiving no reply, sent a second counterproposal offering to wear an FBI T-shirt, brushed-suede jeans and blue-suede shoes.

He received a reply, not from the Director but from the ambassador. It advised him that Hoover was going to be busy the next few months getting his suit shined and would not be available for a summit. If Presley agreed to cut his short, wear a gray fedora, a cement-colored suit and a pair of black wing-tip shoes, however, an FBI agent would meet with him in a hotel coffee shop.

The documents do not say whether this meeting ever took place, but something happened. The Beatles and the Rolling Stones faded in popularity, both J. Edgar Hoover and Elvis Presley died, and the Soviet Union became so frustrated about the persistence of the two-piece suit that it has been behaving ever since like a superstate that got up on the wrong side of the bed.

**NEW YORK (NYT)** — For those with a taste for the freshes in clichés — who take their bromides with Perrier and lime, and feel the need to make sense out of once words — here is the "Third Annual Vogue Word Watch," a guide to those currently "in" phrases.

Clearly (a term that has replaced obviously), which long ago replaced manifestly) anyone who has not been tracking (term that has replaced monitoring), which long ago replaced following) fashionable lingo is in big trouble.

Basically (which has replaced I mean, oh, and is akin to the British throat-clearing actually), the great slang spawning grounds of the past — the music and drug-culture worlds — have failed us in the last year, popularizing merely punk (a stylish krisch) and angel diet (a toxic hallucinogen first used to sedate primates). Instead, the new fountains of art are the media, kid's talk, diplomacy and sports.

From the media come bigger — as in "ad bigger" or "Hollywood bigger" — which has taken over for American Indian expressions like sachem or hamekeymuck (from the Algonquin "has plenty of food"), or last year's fading superstar. "Bigger" make big bucks, sometimes megabucks, for turning on the hype that sells books that used to be called page-turners but are now referred to as books with legs, presumably because they seem to walk off the shelves.

**Advertising Branch**

The advertising branch of the media has dispensed with designations like "plain" or "regular" for natural; though "plain" may be a put-down, it has unspilled environmental overtones. In gasoline, "regular" has changed from meaning "without tetraethyl lead" to its opposite — "with lead" — while "premium" has changed from its former "with lead" to "unleaded, high octane."

Advertising's "lead-free" phrase has led to a new licentiousness in -free usages. The absence of what had formerly been desirable is now proudly advertised: not only lead-free gas, but salt-free diets and sugar-free soft drinks. Soviet propaganda bigger could capitalize on this by advertising their system to "freedom-free."

Kid's talk, spoken by television, has not been delinquent in coinages. Cool, that product of the '40s, continues unabated, but dynamite as an adjective has fizzled, as have beautiful and terrific.

The summarized continuation, or indication of a continued series, has long been a staple of kid's talk: Ecetera ecetera was followed by blah-blah-blah, and more recently by all that stuff or like that; the current location is y'know what I'm saying. An old slang term, nare, has been revived for tabletops, and snare kids enter the room with "What's the rave?"

For an explanation of his rampant use of the term turkey, for the old drip or jerk, let us turn to David Guralkin, editor of Webster's New World Dictionary: "Turkey" is obviously a pejorative that is much in use, but its current proven